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Alia Discusses 1991 Events, Forecasts for 1992

AU3012204391 Tirana Radio Tirana Network in Albanian 1900 GMT 30 Dec 91

[Interview with President Ramiz Alia by Arian Melanashi in Tirana on 30 December—recorded]

[Text] [Melanashi] Mr. President, I am using this opportunity to speak to you before your meeting with Mr. Adem Demaci. Could you give us an overview of 1991?

[Alia] It has been a year fraught with many events and intensive developments, both expected and unexpected. Anyway, 1991 will go down as the year in which pluralist life in our country began. Great changes have taken place this year, both politically and in other fields. Many parties and new political forces have arisen. The 31 March elections produced our country's first pluralist assembly. Many laws guaranteeing individual rights and freedoms were approved. The way was paved for the development of freedom of thought and the press. There were also important developments in relations with foreign countries. Albania was admitted to the CSCE and to many different international organizations, thus taking steps forward in the direction of our country's integration in the outside world, particularly Europe.

Moreover, the economic reform began this year. The Land Law was approved, and land distribution began. The first steps toward privatization were also taken.

However, it must be said that it is difficult to claim that we proceeded peacefully along the road of democracy. On the contrary, there were many shocking events, such as the waves of mass emigration and the events of Shkoder, Lac, and Fushe Arrez.

[Melanashi] Excuse me, Mr. President, but people are more aware of economic difficulties. What kind of year do you think it has been economically? In my opinion, many serious difficulties have been experienced.

[Alia] Yes. No doubt, economic difficulties have come to the fore more than ever before. There are many reasons for these economic difficulties. There is no doubt that they are connected with the past, in other words with what we inherited from the single-party system. However, in my view, they are also connected with this transitional phase through which our country is passing. It must be borne in mind that many of the old, former structures have been destroyed, but the new structures that must replace them have not been created. For example, our economy today does not function either as a centralized and planned economy as it used to, or as a free market economy. Similarly, our state retail system has been destroyed, or does not function well; on the other hand, a private economy that could assume its role has not been created. In the countryside, the agricultural cooperatives were destroyed in haste, but the land was not distributed to the peasants even when the Land Law was approved. This situation, this vacuum, cannot fail to produce difficulties. Therefore, in my view, there is a need to accelerate the economic reform, so that appropriate structures can replace what has been destroyed and what should be set aside.

[Melanashi] Mr. President, what kind of political and economic developments do you foresee in 1992?

[Alia] I think that next year must be a year in which positive political tendencies will prevail, just as there will be economic improvements. Next year, the country's political forces will have the opportunity, and very soon at that, to subject themselves to a direct reassessment by the people. I think that the country's political parties will have the moral strength to submit to the people's will and will devote all their energies to bringing people back to work. This seems to me the most urgent thing. I hope at the same time that 1992 will bring the Albanian people the stability and calm they need so much. However, it will be a year in which a spirit of understanding, tolerance, and cooperation to the benefit of our homeland will prevail among us. This will be a great victory for our country and our people.

[Melanashi] Mr. President, since we are in the final hours of this year, what would you write on a greeting card for 1992?

[Alia] I would wish everybody a successful 1992, with a restoration of trust and hope, a revival of optimism for the future, and especially a return of our shaken Albanian national pride and feelings. To our brothers in Kosovo, Macedonia, and Montenegro, I would express the wish that 1992 will be the year in which they gain the human and national rights they have been denied.

[Melanashi] Mr. President, allow me to wish you a happy new year for 1992.

[Alia] A happy new year to you, too, and to everybody.

Candidates for President, Vice President Listed

92P20082A Sofia DURZHAVEN VESTNIK in Bulgarian No 103, 13 Dec 91 pp 1-2

[Decision No. 39 of the Central Electoral Commission, dated 9 December 1991 and signed by Chairman R. Yankov and Secretary Ml. Chervenyakov]

[Text] The Central Electoral Commission, in accordance with Article 8 of the Law on Electing the President and the Vice President of the Republic, hereby orders the publication of the following list of candidates for the positions of president and vice president to be elected on 12 January 1992:

1. Kiril Borisov Borisov, born 15 August 1950 and a resident of Pernik, as candidate for president, and Milan Slavov Tonev, born 9 February 1936 and a resident of Pernik, as candidate for vice president on the ticket of the Liberal Party of Pernik, using a green ballot.

2. Todor Ivanov Pashaliyski, born 21 February 1948 and a resident of Sofia, as candidate for president, and Velin Asparukhov Iliev, born 21 April 1949 and a resident of Sofia, as candidate for vice president on the ticket of the Christian Radical Party, using a white ballot with an orange stripe.

3. Ivan Emilov Georgiev, born 21 October 1941 and a resident of Sofia, as candidate for president, and Ivan Nikolov Kisimov, born 7 February 1926 and a resident of Sofia, as candidate for vice president on the ticket of the Bulgarian National Radical Party, using a white ballot with a green stripe.

4. Zhelyu Mitev Zhelev, born 3 March 1935 and a resident of Sofia, as candidate for president, and Blaga Nikolova Dimitrova, born 2 January 1922, as candidate for vice president on the ticket of the Union of Democratic Forces, using a blue ballot.

5. Andon Kolev Donchev, born 24 October 1946 and a resident of Sofia, as candidate for president, and Nikolay Kirilov Shkutov, born 7 October 1942 and a resident of Sofia, as candidate for vice president on the ticket of the initiative committee "Glas za bezpartien prezident" [Vote for a Nonpartisan President], using a white ballot.

6. Pravdolyub Georgiev Kozhukharov, born 1 October 1933 and a resident of Varna, as candidate for president, and Simeon Zhelev Yanulev, born 1 July 1937 and a resident of Varna, as candidate for vice president on the ticket of the Bulgarian Workers and Peasants Party of Varna, using a white ballot with a red and a green stripe.

7. Yolo Dimitrov Denev, born 1 January 1940 and a resident of Sofia, as candidate for president, and Georgi Dimitrov Statkov, born 26 August 1932 and a resident of Sofia, as candidate for vice president on the ticket of the Bulgarian Democratic Party, using a white ballot with a blue and a green stripe.

8. Petur Manolov Georgiev, born 28 August 1939 and a resident of Plovdiv, as candidate for president, and Emiliya Georgieva Savova, born 16 November 1945 and a resident of Sofia, as candidate for vice president on the ticket of the Movement of Nonpartisan People for Democracy, using a white ballot with a gray stripe.

9. Blagovest Khristov Sendov, born 8 February 1932 and a resident of Sofia, as candidate for president, and Ognyan Stefanov Saparev, born 4 August 1942 and a resident of Sofia, as candidate for vice president on the ticket of an initiative committee, using a white ballot.

10. Dimitur Krumov Dimitrov, born 24 August 1941 and a resident of Sofia, as candidate for president, and Velcho Dochev Velev, born 3 November 1942 and a resident of Sofia, as candidate for vice president on the ticket of the Free Democratic Party, using a white ballot with two horizontal orange stripes.

11. Ivan Lazarov Ivanov, born 18 January 1921 and a resident of Sofia, as candidate for president, and Petur Ivanov Dimitrov, born 12 July 1944 and a resident of Sofia, as candidate for vice president on the ticket of the Bulgarian National Union—New Democracy, using a white ballot with a horizontal blue stripe.

12. Dimitur Markov Markovski, born 15 August 1945 and a resident of Sofia, as candidate for president, and Dimitur Georgiev Savov, born 8 October 1937 and a resident of Sofia, as candidate for vice president on the ticket of the Free Cooperative Party, using a white ballot with an orange and a green stripe.

13. Petur Nikolov Gogov, born 20 November 1940 and a resident of Sofia, as candidate for president, and Bogdan Borisov Yotsov, born 24 October 1932 and a resident of Sofia, as candidate for vice president on the ticket of the Independent Democratic Party, using a white ballot with a horizontal black stripe.

14. Asen Stoykov Mladenov, born 13 April 1930 and a resident of Sofia, as candidate for president, and Ivan Tsvetanov Georgiev, born 23 July 1936 and a resident of Sofia, as candidate for vice president on the ticket of the Bulgarian Communist Party, using a white ballot with three red stripes.

15. Slavomir Draganov Tsankov, born 28 November 1949 and a resident of Pleven, as candidate for president, and Mikhail Krustanov Milanov, born 1 October 1934 and a resident of Sofia, as candidate for vice president on the ticket of the Union of Democratic Parties and Movements—ERA-3, using a red ballot.

16. Velko Vulkanov Ivanov, born 16 November 1927 and a resident of Sofia, as candidate for president, and Rumen Iliev Vodenicharov, born 17 December 1938 and a resident of Sofia, as candidate for vice president on the ticket of an initiative committee, using a white ballot.

17. Siyka Petrova Georgieva, born 22 August 1936 and a resident of Sofia, as candidate for president, and Stancho Manev Mitev, born 3 March 1924 and a resident of

Sofia, as candidate for vice president on the ticket of the "Preobrazhenie" [Transfiguration] Political Forum, using an orange ballot.

18. Krum Savov Krumov-Kumanov, born 3 January 1940 and a resident of Plovdiv, as candidate for president, and Vencheslav Slavchov Georgiev, born 21 June 1949 and a resident of Sofia, as candidate for vice president on the ticket of the Electoral Union for National Salvation, using a white ballot with green, yellow, and green stripes.

19. Kuzman Georgiev Kuzmanov, born 11 August 1940 and a resident of Sofia, as candidate for president, and Nikola Kostadinov Shumarev, born 22 September 1930 and a resident of Plovdiv, as candidate for vice president on the ticket of the United Democratic Forces—Right Democratic Alliance, using a white ballot with three blue stripes.

20. Stoyan Khristov Tsankov, born 22 February 1930 and a resident of Sofia, as candidate for president, and Ivan Metodiev Stoyanov, born 21 January 1939 and a resident of Sofia, as candidate for vice president on the ticket of the Democratic Party in Bulgaria, using a white ballot with two violet stripes.

21. Dimitur Iliev Popov, born 26 June 1927 and a resident of Sofia, as candidate for president, and Khristo Khristov Genchev, born 28 April 1934 and a resident of Sofia, as candidate for vice president on the ticket of the Bulgarian National Democratic Party, using a white ballot with black, green, and black stripes.

BSP Internal Politics Offers 'Kamikaze' Plan

AU3012175591 Sofia DEMOKRATSIYA in Bulgarian 23 Dec 91 p 1

[Miroslav Peev commentary: "Is There a 'Kamikaze' Preelection Plan?"]

[Text] DEMOKRATSIYA No. 299 carried an interesting article by political scientist Oleg Ivanov about a plan he called "the dual kamikaze." His comparison with the Peruvian model is bold and original, with some exotic elements. However, could this model be applied to the Bulgarian reality?

I think that the candidacy of Vulkanov-Vodenicharov, openly supported by the Bulgarian Socialist Party [BSP], relies on a total confusion of the concepts in the voters' awareness. Vulkanov, who was an independent member of the previous parliament, is now a BSP deputy. Vodenicharov, who was a deputy of the Union of Democratic Forces [SDS] long ago declared himself independent. The final goal of this castling is to suggest to the voters that the party affiliation is not important, when all-national interests are concerned. With his categorical and vicious opposition to the Movement for Rights and Freedoms [DPS] Vodenicharov could attract the radically nationalistic voters, who are the majority in regions such as Kurdzhali and Razgrad. In those regions a deal is possible between him and the "scientifically established" nationalist Prof. Genchev, who is in a tandem with Dimitur Popov. This is very probable, because Popov himself is a rather compromised person, especially if the unofficial claims are confirmed that he is financially connected with the "Sofis" shareholders association, about which DEMOKRATSIYA recently published exposing facts. In such a case the Popov-Genchev tandem doubles to a large extent the functions of the Vulkanov-Vodenicharov duo. This means that Popov-Genchev are in the very unfavorable position of a kamikaze. In this context, the analogy with the Peruvian variant, suggested by our colleague Ivanov, is especially interesting. In that variant, at the last moment a "moderate technocrat" emerges, and he collects the votes of the leftist-oriented voters, whose candidate lost the first round. If we assume that the failure of Vulkanov-Vodenicharov will be greater than the failure of Popov-Genchev, then the role of the moderate technocrat will undoubtedly be assumed by the nonparty candidate Sendov. Let us not forget that he actively implemented the role of the Communist Party critic immediately after 10 November, while in the 1990 elections he did not appear as an independent candidate, despite the fact that he could rely on the BSP support. His appearance now, after a long period of "conservation" clearly suggests that the BSP relies on the academician at an eventual second round of the presidential election, when the nationalists could be instructed to vote for him. Sendov already advertised the fact that he belongs to "them," when he made his diplomatic statement about the restoration process, about which he said that he did not understand it at the time, but defended it at UNESCO. In addition, he promised that if elected president, he will insist on speaking about the DPS at the CSCE. This is an implied threat to ban the DPS, while Vodenicharov openly advocates such a ban and assumes the role of a kamikaze along with the equally inadequate Velko Vulkanov.

I cannot say anything about the political bias of our colleague Oleg Ivanov, but I think he overestimates the BSP possibilities for concocting a preelection script. Zhelyu Zhelev's candidacy can by no means be viewed as rightist. In addition, it is impossible to totally confuse the voters, for whom "independent" Sendov is as transparent as the psychopathic pro-fascist candidate Ivan Georgiev. In the final account, despite its kamikazes, Japan lost the war to the Americans, to whom the Oriental duplicity is totally alien.

Social Democracy Union Publishes Open Letter

AU3012181391 Sofia DUMA in Bulgarian 23 Dec 91 p 8

["Open letter" by Union for Social Democracy in Bulgarian Socialist Party to All Party Members; issued in Sofia on 20 December]

[Text] The congress is over. The delegates departed with more questions than answers, with the feeling that something remained incomplete, but also with the hope that change will continue. However, if change is to continue we must invest great efforts so that the Bulgarian Socialist Party [BSP] not only preserves, but also expands its positions in the dramatically changing Bulgarian society.

However, congress could not clearly express support for one of the two political lines that emerged during the discussion. Therefore, we are concerned that the direction that could prevail in the party after the congress, could divert it from the road considered the most influential democratic power in the country, and delay the change within the party itself.

Now the BSP is the main political force offering a leftist socially oriented alternative for our society. However, without cooperating with the broadest social strata and political formations not only from the left but also from the center, this alternative will not be able to prevail over the rightist wave.

We think that the Alternative, presented at the congress and published in DUMA of 17 December 1991, offers precisely such a political line, corresponding largely to society's most acute problems and expectations, and to the party's long-range interests.

I

At the 40th BSP Congress perhaps for the first time two different political lines were openly formulated and discussed. They reflect the two separate tendencies that exist in the party, and that have different understandings about the party's place in political life and the changes within the party.

The very fact that two different lines were openly discussed is exceptionally important.

The congress uniquely marked those changes within the BSP, imposed to a large degree from outside. Those were compulsory changes, influenced by events. The congressional discussion allowed for a real and profound change, prompted by the party's internal maturing.

The hitherto line, reflected in the report of the Supreme Council chairman, was a direct result of this outside compulsion. One way or another, it preserved the party as a basic political force. However, that line increasingly becomes an obstacle to free, dynamic, and energetic actions. It does not allow us to overcome the lethality to our party's foreign and internal isolation. That political line exhausted itself. It already is dangerous, not only for the BSP, but also for society.

II

The new BSP leadership faces the exceptionally difficult task of continuing the change. However, it also faces a fateful choice. What change? The change imposed until now by the circumstances or the change outlined by the Alternative—a thorough change that springs from the party's internal development.

That choice decides party we are. Should we remain a closed party with diminishing influence, or should we asset ourselves ever more as a dynamic political force with ever broader social positions? Furthermore, it is on this choice first of all that the future of the leftist social Alternative of the young Bulgarian democracy depends. This Alternative is the only one that could address itself to the interests of the great majority of the population, increasingly subjected to the heavy blows of the rightist-oriented policy in our country.

Contrary to the situation in recent years and months, such a choice is now fully possible. It depends on the will and sense of us all—the supporters of the socialist idea and of democratic socialism. Each one must make this choice for himself and join the discussion that began at the 40th BSP Congress.

The situation in which this discussion will continue is extremely unfavorable. It is the immediate task of all BSP members to foil the attempt of the rightist forces to block our party's activity. It is imperative to support all efforts of the newly elected leadership to preserve the party.

Simultaneously, it is exceptionally important to prevent these blows against us from interrupting the Alternative's formation, guaranteeing the party's victorious political prospects. Despite everything, this process must continue. This is the hope of the party of the socialist idea, the hope of Bulgaria's leftist social democracy.

III

The persons whose signatures appear at the end of this letter united around the ideas of the Alternative before the congress, during the period of preparations for the congress, and while preparing the Alternative. Those are the people who signed the Alternative at the congress itself. They are people from different currents and structures within the party, people's representatives, and people from all parts of the country. With this document we announce the formation of the "Union for Social Democracy."

The Union for Social Democracy clearly understands that solidarity and union of action on the pat of all of us, Socialists, are a mandatory condition of efficiently opposing the destructive tendencies, which today jeopardize the democratic process and the Bulgarian nation's vital interests.

The Union for Social Democracy respects the principle of the democratic unity within the party. It is established in accordance with Article 3 of the BSP Charter, adopted by the congress.

We appeal to all BSP members and all supporters of democratic socialism and the leftist social democracy to merge their efforts with the Alternative and become the foundation of the BSP's political line.

We are convinced that those steps are absolutely necessary if we want the following:

—To prevent a new wave of young people, workers, and creators from leaving the party. Those are people who justly are disappointed with the slow pace of the changes;

- To bring back to the party all those who left it because they stopped to believe in the ability and willingness of the BSP to really become a party of the democratic socialism, and to attract new members and supporters;

—To stop the erosion in society's confidence in the BSP as a democratic political force;

—To overcome the dangerous tendency of BSP—the party which itself began the process of opening society—falling into increasing social and political isolation in the country;

—To overcome the international isolation and join the leftist and democratic parties and movements in the modern world;

—Most important—to offer Bulgaria a realistic alternative of social democracy and a practical policy aimed at the vital social, economic, and intellectual interests of the Bulgarian citizens.

Chavdar Kyuranov, Lyubomir Kyuchukov, Dimitur Yonchev, Milen Chakurov, Ivan Gospodinov, Ivelin Nikolov, Atanas Paparizov, Elena Poptodorova, Atanas Dichovski, Filip Bokov, Vurban Khristov, Georgi Tambuev, Lidiya Prokopova, Georgi Pirinski, Aleksandur Tomov, Velislava Dureva, Atanas Atanasov, Petya Shopova, Andrey Lukanov, Svetoslav Michev, Stefan Kosev, Viza Nedyalkova, Vladimir Vladimirov, Valentin Vatsev, Vasil Donchev, Sonya Mladenova, Nenko Temelkov, Rosen Karadimov, Iskra Baeva, Ivan Dinkov, Georgi Bliznashki, Svilen Vulchev, Boyko Velichkov, Asen Borisov, Rumen Petkov, Mikhail Dimitrov, Boyko Radoev, Plamen Vulkanov.

Sofia, 20 December 1991.

Alternative Establishes 'Modern Left' in BSP

AU3012181691 Sofia DEMOKRATSIYA in Bulgarian 24 Dec 91 p 2

[Stoyana Georgieva commentary: "'The Alternative' in the Bulgarian Socialist Party Is Officially Made Public"]

[Text] The second political center in the Bulgarian Socialist Party [BSP] is now a fact. It is called the "Union for Social Democracy" and its establishment was announced in an open letter published in DUMA on 23 December. The newly elected 32-year-old leader, Zhan Videnov, was not even given seven days to prove that despite what was said about him being a "Lilovist", this description did not totally fit him. The letter is signed by approximately 40 Socialists. Their "creed" is that of Chavdar Kyuranov, which was published at the congress that finished last week.

The clash of the elites Lilov-Lukanov appeared at this forum like an ideological dilemma between "modern left" and social democracy. The delegates who had arrived at the congress from around the country remained rather confused. In the period between the two congresses, there had been no indication of a social democratic tendency gathering momentum, apart from Georgi Pirinski's inspiring statement that the BSP must have a leader unburdened by the totalitarian past. Lilov's formula "unity at all costs" was working flawlessly because the political situation called for it and the time for a fundamental renewal of the party had still not arrived. It appears that the "Social Democrats" in the BSP acted illegally (five of them were in the six-member Presidium); obviously they had also bided their time.

This arrived on the last night of the congress. Lukanov, Pirinski, Poptodorova, and a number of other clandestine "Social Democrats" were not elected to the Supreme Council, not to mention the fact that Pirinski was eliminated in the first round of elections for chairman.

The leadership used to view the reformist tendencies in the BSP as harmless, like the decorative flower pots on the party headquarter's building. Only the Alternative Socialist Association [ASO] right from its beginnings constantly talked openly about social democracy, but it had always been reprimanded for its "dissident" actions. ASO's leader, Valentin Vatsev, believes that revolutions of this sort do not happen at a congress or because of a congress; they are the result of practical politics during the otherwise boring period between congresses.

Survey Considers 1991 'Great Depression' Year

AU3012165791 Sofia BTA in English 1628 GMT 30 Dec 91

[Text] Sofia, December 30 (BTA)—In 1991 the macroeconomic situation in Bulgaria was characterized by a 13 percent drop of production, an isolation from the world financial markets, creditors outraged with the moratorium on foreign debt payments, a runaway inflation, a swift dollarization of the economy and a shortage of raw materials and energy. This is the situation, according to the Agency for Economic Projections and Development.

The stabilization programme envisaged a trebling of prices, a 35 percent drop of real incomes, a 5 percent rise of the average annual rate of unemployment and checking the slump of production by the second half of 1991, the survey points out.

1991 has to be defined as a year of a great depression rather than just a year of crisis, for production has been practically stagnant since last May and June, said Mr. Rumen Avramov, deputy chairman of the agency.

The second stage of the liberalization of prices, the reinstatement of real incomes, the increase of purchasing prices and the rise of the exchange rate of foreign currencies against the lev spurred on inflation, despite the success of the anti-inflationary policy. "When politicians cannot say 'no' to demands for further raises of incomes, the result is inflation," said Mr. Ventseslav Antonov, chairman of the agency.

Unrealistic prices often led to wrong investment choices by both large enterprises and private companies, so the reform ought to start with changes in price structure, he claims.

The forthcoming consolidation of commercial banks can become the scandal of 1992 if the process does not include all banks and if it is not clear what actually backs the capitals of each of the banks, he warned. The reform in the banking system can hardly go smoothly, as about 90 percent of the banks are expected to disappear or turn into larger banks' branches. Some people could become billionaires overnight. But consolidation is a must: Normal banks are required for the launching of privatization. Here is what the agency suggests: It is the banks that deserve help, not the enterprises that have gone bankrupt.

Agrarian Parties Unification Congress Proposed

AU3012175891 Sofia DEMOKRATSIYA in Bulgarian 23 Dec 91 p 2

[Vladimir Nikolov report: "Will There Be Congress of Agrarian Unity?"]

[Text] The Bulgarian Agrarian National Union [BZNS]-United is expected to dissolve itself at its January 1992 congress. In addition, the United Agrarians must declare illegal the 8-9 May 1945 conference at which the official BZNS was created. The BZNS-United must confirm that the entire property of the agrarian organizations that were disbanded in 1934 belong to the BZNS led by secretaries Georgi M. Dimitrov and Nikola Petkov.

Those are some of the decisions of the 22 December meeting of the Administrative board of the Nikola Petkov BZNS. If all those conditions are met, the Nikola Petkov BZNS Administrative board proposes to turn the 15-16 February 1992 congress into a congress of agrarian unification.

Calfa Reservations on SFRY Republics Recognition

AU3112113291 Bratislava SMENA in Slovak 28 Dec 91 pp 1, 10

[Interview with CSFR Prime Minister Marian Calfa by Peter Martinek in Rome; date not given: "Capital is a Shy Animal"]

[Excerpt] [passage omitted] [Martinek] What about our attitude toward the recognition of Slovenia and Croatia?

[Calfa] The important thing is that there are 80,000 Slovaks living in Serbia. We have received reports from our Embassy in Belgrade that these groups feel threatened by Serbia. Indeed, there is a possibility that if we recognize Slovenia and Croatia we could expose this minority to some repression. We did not want to make it known. This also explains our slight restraint in this matter. Besides that, by signing the Association Treaty we are in a situation in which we must coordinate our steps, attitudes, and international declarations with the attitude of the Twelve. The Association Treaty does not mean that we are obliged to behave according to the EC rules. Neither does it mean that we would have to give up our attitudes if our interests are serious. This is not a form of submission but a new quality of and a shift in our relations with the EC. [passage omitted]

Dobrovsky Denies Nuclear Parts Bought for Iraq

AU3112113591 Prague MLADA FRONTA DNES in Czech 30 Dec 91 p 1

[Karel Hvizdala report: "Mysterious Questions"]

[Text] Two slightly sensational reports have appeared recently. First, the Czechoslovak export firm Omnipol—ignominiously known worldwide as the Czechoslovak arms exporter—allegedly tried to purchase 10,000 tank grenades in Germany. Second, Technoexport Prague allegedly tried to purchase parts for the construction of nuclear reactors on behalf of Iraq.

To verify the first report, we contacted Defense Minister Lubos Dobrovsky. "I know about this. The matter is about six weeks old and it was closed. The ammunition was not tank ammunition, but ammunition in general. This is not our business, our Ministry of Defense has nothing to do with it. Omnipol only asked a question. Minister Baksay could provide more details," Dobrovsky said.

Federal Foreign Trade Minister Jozef Baksay added on this subject: "This is the first time I have heard about the matter. No one should even think about it. Arms imports and exports must be licensed and the licenses are issued by our ministry. In no case would our ministry issue such a license. In the case of Iraq, it would be a violation of the UN embargo, of course. To ask about prices and gather information, however, is another matter. Any company can do that."

Trade Ministry Confirms Tank Delivery to Syria

LD3012193391 Prague CSTK in English 1640 GMT 30 Dec 91

[Text] Prague 30 Dec (CSTK)—A senior Czechoslovak Foreign Trade Ministry official today confirmed a report in today's Polish daily GAZETA WYBORCZA that 16 Czechoslovak-made T-72 tanks and other military materiel are at present in the Polish port of Szczecin, waiting to be delivered to Syria.

Deputy director of the Foreign Trade Ministry department controlling arms trade, Stanislav Fritzl, told CSTK that Czechoslovak arms supplies to the Middle East were suspended after the government's last October 8 statement which said it would suspend heavy conventional weapons supplies to the Middle East until the convening of the Middle East peace conference.

Fritzl said "the reasons for suspending these deliveries ceased to exist after the conference (in Madrid) was opened." He said the delivery is part of continued supplies to Syria. Reports that the contract involves 150 armoured vehicles are false as "the number is different", Fritzl said but declined to elaborate in view of the concluded agreements.

Carnogursky Welcomes Alma-Ata Agreement on CIS

AU3012165291 Bratislava NARODNA OBRODA in Slovak 27 Dec 91 pp 1, 2

[CSTK, J. Gembicky report: "Will Bratislava Become the Seat of Transgas?"]

[Excerpts] In its Monday session, the Slovak Republic Government acknowledged with comments CSFR Government Resolution 769 of 27 November 1991, which defined the conditions for the effective functioning of the common state.

After some comments, it passed the motion to ratify the Convention on the Protection of Human Rights and Basic Freedoms, the related documents, and the Federal Assembly bill on regulatory levies to be paid in 1992 by all enterprises with more than 150 employees—regardless of the form of ownership—if their wage costs exceed a certain maximum. It also approved the Federal Assembly bill on ownership regarding the transit gas pipeline, the main electric power distribution network, and the ownership participation in the Transpetrol stockholding company with the provision that the draft would include its comments adopted in the form of a statement.

According to the Slovak National Council bill on Slovak Republic Prison Guards, also approved by the government with comments, the Guards are to include a new branch—a judicial peace-keeping service (approximately 280 people). It will protect court employees and keep order during court sessions.

The Slovak Republic Government also passed the draft decree on a one-time extraordinary compensation for harm to health or death incurred through assistance to the Slovak Republic Police Corps up to 50,000 korunas. The decree adopted by the government on exempting some types of income from taxes and tax advantages for the beginning private farmers should support their initiative and help in the difficult beginnings.

The government also approved with comments the draft principles of the Federal Assembly law on mass media, which is to replace the amended yet antiquated law on periodical press and form conditions for independence of all media and their staff. [passage omitted]

In the last lobby briefing this year, Slovak Prime Minister Carnogursky welcomed the Alma-Ata additions to the Commonwealth of Independent States, and described the Alma-Ata agreement as a promising step toward a peaceful and orderly transition from the former Soviet Union, which, from the point of view of keeping a political equilibrium on the continent and greater maneuvering possibilities for Czechoslovak foreign policy, is of great significance also for Czechoslovakia and Slovakia. According to Carnogursky, because of the country's interests and a certain capacity in the foreign sphere, Slovak relations with the European republics of the new commonwealth will undoubtedly be closer than with its extra-European members.

The prime minister commented on the discussion of the bill on the transit gas pipeline, saying that the government rejected the law because it contradicts the Zidlochovice talks. "The Slovak Government agrees in principle for the problem to be solved by a federal law but has numerous comments regarding its content. We expressed the demand that the so-far unestablished Transgas enterprise have its seat in Bratislava, as agreed at the Zidlochovice talks." [passage omitted]

Trade Minister on Impact of USSR Disintegration

AU3012125891 Prague CSTK in English 1519 GMT 27 Dec 91

[Text] Prague Dec 27 (CSTK)— Czechoslovak Foreign Trade Minister Jozef Baksay today said he does not expect any major fall in 1992 trade with the republics of the former Soviet Union, compared with this year. Baksay told CSTK, however, that the former Soviet Union will certainly not be Czechoslovakia's number one trading partner.

Czechoslovakia has been making agreements with the successors to the Soviet Union on lists of commodities that are to be exchanged in the future, Baksay said. He added Czechoslovakia will hold the most important trade talks with the Russian Federation at the beginning of next year.

Zdenek Rachac, an adviser to the Czechoslovak finance minister, told CSTK that Czechoslovakia wants the republics of the former Soviet Union to pay the former Soviet Union's debt to Czechoslovakia, amounting to about 5,000 million USD, by deliveries of goods. Rachac said an agreement on the share of each republic in paying the former Soviet Union's debt has not yet been concluded.

Meciar Blames Havel for Czech-Slovak Crisis

AU3012150291 Prague RUDE PRAVO CTENI NA SOBOTU Supplement in Czech 21 Dec p I

[Interview with Vladimir Meciar, chairman of the Movement for a Democratic Slovakia, by Pavol Minarik; place and date not given: "Let Us Stay Good Friends"]

[Excerpts] [passage omitted] [Minarik] The president says that the country has found itself on the brink of a constitutional crisis and wants to head it off.

[Meciar] The president is not the only person responsible for this constitutional crisis but he bears a great deal of responsibility for it. After all, it was he who has determined the contents and course of [Czech-Slovak] negotiations, but also the partners invited to them. And he has also determined the philosophy of these negotiations. I assess it as a crisis of this philosophy, or rather, as a crisis of political thinking that has not produced ideas that would unite more than divide. It is also a crisis of the culture of political journalism, which does not accept any other but consenting views.

Within the framework of this journalism, it is possible to brand me on television as a liar, without giving me an opportunity to defend myself on this same television. And, finally, it is a crisis of political personalities, of whom we have precious few on our political scene. It is far more difficult to assess a matter and to build a new one than it seemed at the beginning. [sentence as published] Throughout this period, V. Havel has not found a way of forestalling the crisis and what he recently proposed [apparently a reference to the president's legislative proposals presented to parliament on 3 December] has only deepened this crisis.

[Minarik] Why have the president's proposals met with such a poor response in Slovakia?

[Meciar] I would say that they did not meet with any response at all. If we realize that only a few hundred people, including police protection, gathered in Bratislava squares [in support of Havel's proposals], one cannot speak of any support in Slovakia. Moreover, the people felt that the president's proposals are aimed neither at protecting democracy nor at solving problems. Slovakia now feels that it is at a crossroads. It can opt either for the path of reinforcing its statehood and international position or for the path of liquidating the two. V. Havel's steps are aimed in the second direction, that is, toward liquidation.

[Minarik] What do you expect of the coming elections? Is it possible that a Movement for a Democratic Slovakia

[HZDS]-Christian Democratic Movement [KDH] coalition will emerge from them?

[Meciar] I do not rule out any coalition. The only thing that I once said was that there should not be a coalition with the Party of the Democratic Left. At any rate, the post-election period should be one of cooperation among political parties. However, I make no secret of the fact that my preference is for the HZDS to win so many votes that it will need not form a coalition. [passage omitted]

[Minarik] What will Czechoslovakia look like one year from now?

[Meciar] The common state does not have to break up. One year from now, the basic programs for the constitutional setup should be known and the first steps toward their implementation could be taken. Unfortunately, not even these programs exist today. One year from now, Slovakia will be in a far worse social and economic situation than it is today. The negative phenomena that are known only in Slovakia at present will gradually spill over to Bohemia, via Moravia. A period of "sobering up" will set in and the position of left-wing forces will grow in strength. From the right, the pendulum will swing back to the left. The elections can bring all kinds of surprises in this respect. I assume that, one year from now, Czechoslovakia will have completely different faces at its head than today.

[Minarik] A single Czechoslovak economy has brought Slovakia a rate of unemployment that is three times higher than in the Czech Republic. Are you not afraid of it?

[Meciar] The true number of lost jobs is even higher. It is only due to the artificially kept "overemployment" that unemployment in Slovakia is only three times higher. If the economic repercussions manifested themselves fully—which they soon will, if the entire agricultural system and cooperatives completely disintegrate—the number of unemployed in Slovakia will reach 600,000 and possibly even more. The economic system will disintegrate to such a degree that it will not be capable of short-term recovery and will require injections from the outside. In other words, treating the Slovak economy as supplementary to the Czech economy and failing to respect its specific features means, literally, to bring Slovakia to its knees economically. We are facing a dilemma: Slovakia will either respect the uniform rules of the reform and will be brought to fall or it will not respect these rules and the [common] state might be brought to fall. [passage omitted]

Carnogursky Stresses Forward Slovak Diplomacy

LD3012182291 Prague CSTK in English 1721 GMT 30 Dec 91

[Text] Bratislava Dec 30 (CSTK)—"I was the first politician in the republic to officially recognise Slovenia's and Croatia's right to independence. I was also the first to welcome the creation of the Commonwealth of Independent States", Slovak Premier Jan Carnogursky today told CSTK. Carnogursky said that Slovak diplomacy will strive for friendly relations with the neighbouring states.

Dealing with the creation of Slovakia's image abroad he said: "Foreign countries must become convinced that Slovakia is not violating stability in this part of Europe...in the past two years the Christian Democratic Movement (KDH) has been representing the most stable political line in Slovakia". (Carnogursky is the KDH chairman).

Complaint Filed Against Calfa for Fascism Support

AU3012171291 Bratislava NARODNA OBRODA in Slovak 28 Dec p 2

[CSTK report: "What Kind of Measures Were They?"]

[Text] Prague—A legal complaint against Federal Prime Minister Marian Calfa concerning the criminal offense of support for and propaganda of fascism or a similar movement was lodged at the Czech Republic Prosecutor General's Office by the Association for the Republic-Republican Party of Czechoslovakia (SPR-RSC). As the letter says, Marian Calfa was a high government official in the 1980's. There is no doubt that at the time the Czechoslovak state promised to observe basic human rights and freedoms. It is a generally known fact, however, that it was Marian Calfa who was at the beginning of 1989 drafted legal measures suppressing these rights and freedoms. According to the SPR-RSC, the facts of the case clearly show Calfa violated at least Article 260 of the Criminal Law then in effect (support for and propaganda of fascism or a similar movement).

No Changes Expected in Defense Doctrine

AU3012175991 Prague LIDOVE NOVINY in Czech 28 Dec 91 p 2

[CSTK report: "The Defense Doctrine Is Not Changing"]

[Text] Prague—The CSFR defense doctrine will not change because of the shift in the situation east of our border, and no significant changes are expected, Lieutenant General Karel Pezl, Czechoslovak Army chief of staff and deputy minister of defense said yesterday. According to him, the Czechoslovak Army command has not held any talks with its partners in the newly established republics. Military treaties are always based on the signed international agreements.

Czech Government Reinforces Banks Capital Bases

AU3012145991 Prague HOSPODARSKE NOVINY in Czech 27 Dec 91 p 3

["KK"-signed report: "Czech Companies' Debts Written Off"]

[Excerpts] For 344 Czech companies, the Czech Republic National Property Fund has prepared a Christmas present in the form of debt write off. The

process of easing companies' debt burdens and recapitalizing banks has thereby been completed, Tomas Jezek, Czech minister for the administration and privatization of national property, said at the beginning of a news conference in Prague on 23 December.

The National Property Fund of the Czech Republic has provided a total of 7.8 billion korunas to reinforce the banks' capital bases. Of this sum, Komercni Banka [Commercial Bank] received 0.6 billion, Investicni Banka [Investment Bank] 2.3 billion, Ceskoslovenska Obchodni Banka [Czechoslovak Trade Bank] 1.1 billion, and Ceska Statni Sporitelna [Czech State Savings Bank] 3.8 billion. In addition, the fund provided the banks with 22.2 billion korunas to write off previously extended credits. Of this sum, Ceskoslovenska Obchodni Banka received 2.2 billion, Investicni Banka 3.3 billion, and Komercni Banka 16.7 billion. The debt write off operation concerns enterprises included in the first and second waves of coupon privatization. The debts of enterprises included in the first wave must be written off by the end of this year.

On 20 December, bonds were issued to the banks for the aforementioned amounts. Only Investicni Banka has not yet received the bonds to reinforce its capital stock because no final decision has been made as yet on the method of its privatization. The bonds will be repaid by the Czech Republic National Property Fund from the proceeds of the sale of some enterprises (the fund already has at its disposal 16.5 billion korunas worth of proceeds from small-scale privatization and 5 billion korunas from large-scale privatization). A part of the enterprises' shares will be kept in the fund and offered for sale on the capital market. In the initial period, foreign capital, in particular, is expected to show interest in these shares. Hence, the price for writing off the debts of our enterprises is the sell-out abroad of a part of national property, Tomas Jezek said.

Representatives of Komercni Banka and of Investicni Banka said that the debts of those enterprises that are "creditworthy" have been written off, that is, enterprises that are currently indebted but whose development projects are promising. [passage omitted] With Komercni Banka alone, a total of 520 enterprises had applied for the write off of 55 billion korunas worth of debts. Only 300 of them could be satisfied. Of the 100 enterprises that had applied for debt write off with Investicni Banka, 33 have been selected. [passage omitted]

Industrial, Agricultural Prices Increase in Nov

AU3012150991 Prague HOSPODARSKE NOVINY in Czech 27 Dec 91 p 7

["(SK)"-signed report: "A Slight Increase in November"]

[Text] The overall price level of industrial products in November rose against the previous month by 0.9 percent. There were slight price movements in both directions in individual sectors ranging from -2.6 to 3.2 percent. Compared with the same period last year, the prices of industrial products were 62.3 percent higher in November. In the Czech Republic this increase was 12.8 points higher than in the Slovak Republic.

Against October, prices for construction work rose slightly in November (0.2 percent, according to an estimate) and so did prices for materials and products used in the building industry (0.3 percent). Against 1 January 1990, prices for construction work rose by 54.4 percent in November and prices for materials and products used in the building industry rose by 66.9 percent. While the increase in prices for construction work was virtually the same in the Czech and the Slovak Republic, prices for materials and products used in the building industry were 8.2 points higher in the Slovak Republic than in the Czech Republic.

Agricultural prices rose by 11.7 percent in November against the average for 1989. Of this, the prices for produce rose considerably faster (by 25.5 percent) than prices for animal products (2.9 percent). The increase in prices in the Czech Republic in November was slightly lower than in the Slovak Republic (1.7 points).

Defense Ministry Denies Missile Attack on SFRY

LD3112164291 Budapest Kossuth Radio Network in Hungarian 1600 GMT 31 Dec 91

[Text] The Hungarian Defense Ministry spokesman has denied the most recent Serbian accusations that Hungary has been concentrating troops on its southern borders. The Serbian volunteer guard commander Zeljko Raznjatovic-Arkan made this allegation, and he also said that Hungarian jet combat aircraft launched surface-to-surface missiles [foeld-foeld raketak] at targets in Yugoslavia, Baranja, Slavonia, and the western Srem.

Defense spokesman Gyorgy Keleti said, however, that surface-to-surface missiles had been removed from the Hungarian Army a year ago. In connection with the recent Belgrade accusation, it was confirmed in Budapest that Hungary does not intend to intervene in the events in Yugoslavia.

Border Guard Reports Yugoslav Combat, Mines

LD3112124291 Budapest Kossuth Radio Network in Hungarian 1100 GMT 31 Dec 91

[Excerpt] Yugoslavia combat has approached the very edge of the Hungarian border. Deputy Border Guard spokesman Colonel Attila Krisan briefed our correspondent Agnes Pap on this topic.

[Begin Recording] [Pap] Will New Year's Eve be peaceful at the border?

[Krisan] Fights have once again broken out on our southern border, and we have observed weapons fire approximately 200-250 meters from the state border. At the same time, tripwire anti-personnel mines [botlodrotos gyalogsagi aknak] have been planted in the direct vicinity of the border line.

[Pap] Has the Border Guard done anything to prevent this?

[Krisan] In every instance, the Border Guard has protested the planting of mines. We have not received a response.

[Pap] Have shells reached Hungarian territory?

[Krisan] (?Not) from these shots. If a rabbit bumps into a mine, it can blow up the mine just as easily, and the shrapnel could reach Hungarian territory. [passage omitted]

Envoy to UN Views Security Council Membership

AU3112094191 Budapest MTI in English 1157 GMT 30 Dec 91

[Text] Budapest, December 30 (MTI)—Hungary will be a member of the United Nations Security Council for two years starting from January 1, 1992.

How is the Hungarian UN delegation preparing for the new task?—this topic was discussed by the leader of the delegation, Ambassador Andre Erdos, in an interview with the daily UJ MAGYARORSZAG (NEW HUNGARY), carried in the December 30 issue.

Hungary has already joined into the work of two specialised committees, the ambassador said. One of these is the sanctions committee, the other is the so-called reparations committee dealing with the claims against Iraq. However, the Hungarian delegation is mainly preparing for the resolutions to be passed with respect to Yugoslavia, as the war there very closely concerns Hungary both geographically and historically.

"What is needed is a lasting settlement that keeps the right to self-determination in mind, and which ensures human rights. The internal borders cannot be forcibly changed, but the individual peoples also cannot be forced to coexist with others against their will. Brazen territorial conquest is in progress in Yugoslavia today, which must be stopped.... According to plans, the UN peace-keeping forces would be positioned on greater parts of the occupied territories, and would ensure human rights for the 600,000-strong Serbian minority on the Croatian areas," Erdos said.

Defense Ministry Deputy Secretary Resigns

AU3012180391 Budapest NEPSZABADSAG in Hungarian 28 Dec 91 p 4

[Text] Recognizing the services he had provided, Defense Minister Lajos Fur accepted the resignation of Major General Lajos Kondor from his position of deputy state secretary at the Defense Ministry. Colonel Gyorgy Keleti, Defense Ministry spokesman, said that Major General Jozsef Kelemen would replace Major General Kondor and Kondor would work on training officers' questions.

Major General Kondor told our correspondent that there were situations when resignation became a matter of course for a public officer. This occurs when one cannot enforce professional interests within his work. He referred to the fact that he had been unable to implement his ideas on a more rational leadership and structure of the Army which would have made the operation of the whole Army more efficient.

Agricultural Industry Asks For 'Urgent' Aid

LD3012192191 Budapest Kossuth Radio Network in Hungarian 1700 GMT 30 Dec 91

[Text] The National Federation of Agricultural Cooperatives and Producers is asking the government for urgent measures to overcome the crisis in the agricultural industry. The organization's presidency admits in a letter to Prime Minister Jozsef Antall that the serious problems of the agricultural sector are the consequence of the policies of earlier decades, but according to the workers in the sector changing the system did not bring

any improvements. In fact, the crisis from overproduction has further increased the dangers.

Finance Minister Sums Up Budget Discussion

LD3012193691 Budapest MTI in English 1715 GMT 30 Dec 91

[Text] Budapest, December 30 (MTI)—Hungarian parliament wound up the discussion of the 1992 state budget after a 20-hour continuous session this afternoon. Over 1,000 amendments were submitted to the government draft, 60 per cent by opposition MPs. The amendments brought about favourable changes in the draft budget, Finance Minister Mihaly Kupa said summing up the discussion.

"Debates must be regarded a natural activity of a democratic parliament in a democratic country," he added. For the first time in ten years, the state budget was drawn up without the country "having to beg" for loans from international financial organizations, Kupa said.

The government did not adjust budgetary revenues to expenditures, as it has often been blamed, Kupa said, but the other way round. The aim was to halt the deterioration of the population's living standards, he added.

Budgetary expenditures reflect social priorities, like a curbing of inflation, a restructuring of agriculture and a special attention to education and social security, he said.

Parliament started the voting procedure this evening. Due to the vast number of amendments, however, a final decision can only be expected on Tuesday.

Central Bank Chairman on Industry, Bank Plans

AU3112083691 Budapest NEPSZABADSAG in Hungarian 23 Dec 91 pp 1,5

[Interview with Akos Peter Bod, newly-appointed chairman of the Hungarian National Bank, by Maria Lakatos; place and date not given: "Akos Peter Bod: The Bank Does Not Improvise"]

[Excerpts] [Lakatos] What kind of an Industry Ministry and what kind of industry are you leaving to [Minister for Industry and Trade] Ivan Szabo, your successor?

[Bod] Ivan Szabo will lead an economy ministry rather than a branch ministry, and industry, energy, trade, catering, and tourism will belong to this ministry, which represents a considerable change in the structure of government. This ministry oversees a much broader area than before. It has a younger staff and these new people are at the service of my successor. What kind of industry I am leaving to Ivan Szabo is a different question. We have come through a very difficult but necessary 18 months and now there are some successes on the horizon, namely an Opel assembly factory is opening, the Suzuki [factory] will be started, and rapid privatization is beginning in the construction material industry—and I cannot be present at these events. This would make it difficult to leave even for a person less vain than me. My successor will not have it easy after 1 January, but according to my own analysis and to the Finance Ministry, the 16 to 18 percent decrease in 1991 is not expected for 1992. For another six months, there will be great problems such as corporate bankruptcies, and the effects of the markets lost in 1990 will be felt. Improvement can begin in some sectors after this period, however. Together with learning the trade, Ivan Szabo has a very difficult six months ahead and I do not envy him that. I do envy him for the good news of the future.

[Lakatos] Statistics do not entirely reflect your optimism. The proportion of raw materials and semi-finished products increased mainly in exports in 1991 which does not exactly indicate a change of structure. On the contrary, the industrial structure that has been cursed many times is being preserved.

[Bod] I do not agree with this because engineering exports to the West have increased by 70 percent in one year. I do not consider the structure to be bad, either, because the role of parts suppliers for deliveries to Ford, for example, points toward a change. At the time, this kind of work also helped Austria to catch up. Statistics, however, reflect these items as semi-finished products. In fact, I have a decreasing amount of faith in qualifying goods in categories. I believe that next year, it will become obvious that the exports of goods processed to a higher degree will increase.

[Lakatos] In an interview with NEPSZABADSAG six months ago you complained that industrial privatization was done without the ministry. Do you think this was useful?

[Bod] It cannot be a coincidence that Ivan Szabo made the solution of this issue one of his conditions. The privatization agency is interested in achieving as much income as quickly as possible, but there are also other, industry-policy interests, such as preventing the extinction of important professional knowledge. Besides, privatization is too important to entrust it only to one organization, just as war is not only a matter for soldiers. Even until now, privatization of large enterprises has been the result of joint effort; what I objected to was the fact that this depended on personal contacts rather than on fixed rules. My only bad experience was in connection with the Organization for Economic Rehabilitation [Szanalo Szervezet], because the privatization of Ikarus and Csepel Auto did not fit into our industrial policy and I still have doubts about these. [passage omitted]

[Lakatos] As the chairman of the central bank, you are facing an important test right away because there is a great debate over next year's budget in Parliament. To what extent is the central bank willing to finance the deficit?

[Bod] As an economic expert, I also considered it important to curb the budget deficit because, if we fail to do so

then the budget will force the private sector out of the credit market. This is why I think it is important for Parliament to handle the deficit responsibly. A greater deficit would be unacceptable for the central bank.

[Lakatos] Will a tight money policy continue when, according to current thinking, inflation slows and, as some believe, economic growth may even begin?

[Bod] A strict monetary policy will obviously continue, although it was not as strict as many people think because, nominally, the amount of money changed the same way as gross domestic product did. Even in 1991, it was the market, namely the lack of projects that could be financed, that hindered economic growth rather than lack of capital.

[Lakatos] What will happen to the exchange rate of the forint? Can we expect another devaluation?

[Bod] I do not think I should speculate on this issue. In 1992 we will introduce a currency market between banks where prices will develop according to supply and demand. This means that a special sliding price system also recommended by the OECD will develop where prices rise or decline a little. I think that this is more effective than a one-off large-scale change.

[Lakatos] When will the illegal currency exchange places that have increasingly significant turnover be included in the legal trade of currencies?

[Bod] In accordance with a recent government decision, we will liberalize the conditions for currency exchange. The requirement for permits will be a certificate of good character and professional qualification, and banks and private persons will also be able to take out these permits.

Inflation Rate Drops; Energy Prices Rise

LD3012163691 Budapest MTI in English 1445 GMT 30 Dec 91

[Text] Budapest, December 30 (MTI)—Consumer prices went up by an average of one per cent a month in Hungary in the second half of 1991, as compared to 2.1 per cent in the corresponding period of 1990, runs the latest report of the central statistical office. The 37-38 per cent rate of inflation in the middle of the year dropped to 32.8 per cent by November.

The price of postal services rose the most, the index standing at 214.9 per cent, with pork at 93 per cent, and an average 120-150 per cent for products and services that account for some two-thirds of all consumption. The price of household energy went up more than the average, and costs of purchasing and maintaining vehicles also showed a major increase.

Articles Comment on Radio Bridge's Demise

AU3112083391

[Editorial Report] Budapest MAGYAR HIRLAP in Hungarian on 20 December publishes on page 8 under the headline: "Once there Was a Private Radio" an L.K.-signed 500-word article on the history of Radio Bridge. On the same page it carries a 500-word article by Laszlo Arva, chairman of the National Office to Promote Small Enterprises, on the importance of an English language broadcast in Hungary under the headline: "Hello Europe, Bye-Bye Radio Bridge."

The first article reports that "Radio Bridge was started in 1989 as a private initiative" of two Hungarians and the representative of a U.S. enterprise, with initial capital of 1 million forint. It notes that their broadcasts "soon became popular" because they were "more up-to-date" since they were "based on materials from the Voice of America." MAGYAR HIRLAP notes that, although the "broadcasts could only be received in the Budapest area" the number of listeners was estimated at over 500,000.

MAGYAR HIRLAP notes that this enterprise did not receive any financial help and the "American partner prevented them from becoming a limited company" and thus raising capital. Without giving any reasons, the American partner wanted the two Hungarians to leave Radio Bridge as a condition for becoming a limited company. MAGYAR HIRLAP continues the story by saying that the two Hungarians sold their shares to two Hungarian enterprises, but the "new owners soon chose a new format, namely broadcasting in Hungarian instead of the unprofitable English programs." Therefore, the article concludes that a "public service broadcast" was replaced by a "commercial station," providing "an excellent business opportunity for some smart young people."

In his article, Laszlo Arva describes Radio Bridge as a "small but not negligible symbol of being part of Europe." Arva praises Radio Bridge for having provided "good quality hourly news programs," cultural news, and even "business information, including solicitations for business partners." Arve saw this as "irreplaceable" information for foreigners in Hungary.

In Arva's view, the Radio 102 that replaced Radio Bridge "has not given anything different or better" than the other commercial stations. Arva states that the "broadcast of cultural and business programs that foreigners are interested in" is a "necessary condition" of foreigners coming to Hungary.

CSFR Tanks for Mideast Unloaded at Szczecin

LD3012131891 Warsaw PAP in English 1228 GMT 30 Dec 91

[Text] Warsaw, Dec. 30—Sixteen T-72 tanks and other military hardware made in Czechoslovakia and destined for the Middle East were unloaded in the Polish port of Szczecin last Friday, the GAZETA WYBORCZA newspaper reported Monday. The shipment, the first in a series, is to be loaded on board a German vessel early next month bound for Lattakia, Syria. The contract envisages supplies of more than 150 armoured vehicles, the paper added. The report, headlined "Do the Czechs Arm Syria With Polish Help?," mentions a Polish firm called Intersped which allegedly provides services to the Czech exporters. On its inside pages the same paper runs a story telling how the Polish special services managed to thrice block a transaction under which Polish arms would end up in war-torn Yugoslavia. Contrary to news agency reports from the past five weeks and earlier press articles of the Belgrade POLITIKA newspaper, "not one arms shipment destined for the warring sides in Yugoslavia has left Poland," GAZETA WYBORCZA quotes a senior ministerial official as saying. The official who requested anonymity told the paper that "it cannot be ruled out that news agency reports about Polish arms being smuggled to Yugoslavia were meant to discredit Poland in the eyes of the West on the eve of this country's gaining access to sophisticated Western military technologies." Though Croatia and Macedonia had in fact tried to buy arms in Poland, sometimes using Swiss-based firms as fronts, the Polish special services always managed to block the deals, the same ministerial source maintains. In order to prevent the signing of the contracts, the special services and the Polish Government agencies concerned had to resort to legal tricks, since the existing regulations on arms sales were not restrictive enough, the GAZETA wrote. It quoted the opinion of a government source according to which the regulations "are outdated and ill adjusted to a market economy. Theoretically, Polish arms could end up any place in conformity with the law," the source said.

Walesa Not To Celebrate, Cites 'Injustices'

LD3112171491 Warsaw TVP Television Network in Polish 1615 GMT 31 Dec 91

[Text] President Lech Walesa does not intend to enjoy himself at any of the New Year's Eve balls. This afternoon on the local radio program "Baltic Studio," he said that he sees too many unfulfilled hopes, injustices, and problems. "That is why I will not be enjoying myself anywhere: I do not have any reason to be happy, and I am feeling a kind of sadness, dissatisfaction," the president said.

Government Praises 'Visa-Free Traffic' in Europe

LD3012180191 Warsaw PAP in English 1719 GMT 30 Dec 91

[Text] Warsaw, Dec. 30—The Polish Foreign Ministry's spokesman opined Monday that "leaving aside political attainments, the greatest thing about 1991 is that we can move around Europe without any visas at all."

The agreements on visa-free traffic concluded with 20 countries are among the major attainments of Polish diplomacy, Grzegorz Dziemidowicz said.

Among other successes of 1991 the spokesman also listed close ties established between Poland and European institutions: the association with the European communities, the initiation of a dialogue with NATO and participation in the CSCE (Conference on Security and Cooperation in Europe) institutions in which Poland presented its proposal to create European security force.

Next come normalization of relations with Germany based on a treaty, treaties signed with France and Italy, and agreements concluded with Britain, Belgium and Switzerland.

Dziemidowicz also referred to Poland's Eastern policy as fruitful. Here he mentioned the recognition by Poland of independent Baltic republics and the Ukraine, negotiation of treaties with Russia and the Ukraine, and economic and trade agreements concluded with the two latter states. Last but not least, a treaty on the withdrawal of Soviet troops from Poland was initialled in 1991.

Finally, the terms of Poland's cooperation with Czecho-Slovakia and Hungary were defined in respective treaties. An improvement of Poland's relations with Israel and the Republic of South Africa took place in 1991, as a significant development from the point of view of Poland's interests outside Europe, Dziemidowicz stressed.

Government Rejects Bielecki Socio-Economic Policy

LD3112082791 Warsaw PAP in English 2255 GMT 30 Dec 91

[Text] Warsaw, Dec. 30—At Monday's session the government led by Prime Minister Jan Olszewski decided not to accept the assumptions of the socio-economic policy for 1992, prepared by the former government of Jan Krzysztof Bielecki.

Ministers are expected to present their reservations to the draft till January 15, and a new version of the document should be sent to the Sejm (lower house) by February 15.

However, the government approved of the draft budget as well as draft laws on income tax and draft amendments to the labour code and penal code as proposed by its predecessor. Government spokesman Marcin Gugulski stated that the cabinet decided to send the drafts to the Sejm despite its objections, feeling the necessity to deal with these issues possibly promptly.

It was decided at the session that the Ministry of Industry and Trade, the Central Planning Office and the

Ministry of Privatisation would shortly work out a programme of restructuring of the power industry.

Soon, the results of the first stage of restructuring of the defence industry will be discussed by the government.

According to Minister of Labour and Social Policy Jerzy Kropiwnicki all ongoing protests in enterprises are justified as talks with strikers were not held on time in line with the binding law.

"I do not want to continue the arrogance of authorities towards employee groups," he said. The minister also accused his predecessors of "breaking rules of the game." In his opinion Bielecki's ruling team neglected an obligation to consult the draft budget with trade unions.

Kropiwnicki, however, stressed many times that the present government found itself in a very delicate situation as it would not be able to meet expectations in the field of social services and follow solutions envisaged by law because of insufficient funds.

He announced that on Tuesday Premier Olszewski would meet with unionists at the Office of the Council of Ministers to personally "ask them for understanding." Expected are representatives of Solidarity, Solidarity '80 and the All-Poland Alliance of Trade Unions (OPZZ). The Solidarity '80 leader informed the premier that he would not be present at the meeting.

Also on Monday Marcin Gugulski told newsmen that he suspended his membership in the Christian National Union (ZCHN) for the time of his fulfilling the function of the government press spokesman.

Solidarity Threatens Strike Over Price Increases

LD3112163391 Warsaw Radio Warszawa Network in Polish 1400 GMT 31 Dec 91

[Text] In a policy document published today, representatives of Independent Self-Governing Trade Union Solidarity Enterprise Commissions and members of the board of the Gdansk region demand the immediate withdrawal of increases in gas, electricity, central heating, and hot water prices until the government has presented a draft budget and proposals in the economic field for 1992.

If the price increases are not withdrawn, the Gdansk region authorities intend to launch a warning strike on 8 January 1992 and call for similar actions to be taken nationwide.

Breakaway Group Illegally Using Party X's Name

LD3012212191 Warsaw PAP in English 2028 GMT 30 Dec 91

[Text] Warsaw, Dec. 30—Deputy leader of the Party X Jozef Kossecki claims the breakaway group uses illegally the name of Party X. In a statement released Monday Kossecki referred to an open letter published by the "Polish Party X faction" which, as he insisted, circulates false information about alleged changes in the statutes of that grouping and thus acts to the detriment of the Party X proper. The split in the Party X took place during its extraordinary congress in Warsaw on December 14, when former deputy leader Jozef Ciurus quit that political grouping founded and led by Canada-based Stanislaw Tyminski.

Official Domestic Energy Prices To Rise 1 Jan

LD3012200591 Warsaw Radio Warszawa Network in Polish 1700 GMT 30 Dec 91

[Text] New official prices for gas and electric energy for individual consumers are to be introduced from 1 January. Electricity prices will go up by 20 percent, and those of gas will rise by 70 percent. Official prices for heating and supplies of heating energy to homes will also rise, relative to the basis for calculation that is in force. For instance, the price for central heating will come to 3,600 zloties [Z] per square meter of usable area in the home; the payment for hot water supplies is to come to Z23,700 a month for every person living at a particular address.

Post, Telecommunications Firms To Separate

LD3012182991 Warsaw PAP in English 1722 GMT 30 Dec 91

[Text] Warsaw, Dec 30—The post and telecommunications will become statutorily separate firms as of January 1, 1992. The former named "Polish Post" will be a public utility company while the latter, "The Polish Telecommunications", a joint-stock company owned by the treasury.

The two firms will replace "The Polish Post, Telegraph and Telephone" enterprise. The changes were introduced, besides economic reasons, to improve the quality of postal services.

Iliescu Reviews Post-Revolution Progress

AU3012144691 Bucharest ROMPRES in English 1404 GMT 30 Dec 91

[Text] Bucharest, ROMPRES, 30/12/1991—In an interview with Bucharest Radio Station on December 30 President Ion Iliescu of Romania said that in the two years since the revolution deep-going changes had been wrought in the life of the Romanian society, economic and social difficulties notwithstanding. A new climate was created and further consolidated through an in-depth political process—through the adoption of the constitution—the legislative foundations being laid for the democratic development of Romania and the building of a state of law.

The president showed that the serious difficulties confronting most of the citizens, especially this winter, were of an objective nature and due to the accumulation of both internal factors—past and present ones—and international circumstances. The president considered there were reasons to believe that 1992 would become the year the process of degradation of the economic life would come to a halt.

Concluding his interview, President Iliescu expressed his wish that 1992 would bring a climate of stability in the political and social life and more safety in the country's economic life.

Stolojan Views Economic Issues, Living Standard

AU3012183991 Bucharest ROMPRES in English 1758 GMT 30 Dec 91

[Text] Bucharest ROMPRES 30/12/1991—While transitioning to the market economy, the standard of living inevitably decreases temporarily. If we do not adhere to the strictly necessary structural measures, the standard of living will decrease even more while goods will become even more spare, emphasised the head of the Romanian executive, Mr. Theodor Stolojan, in an interview with the ROMPRES news agency on the eve of 1992. In his opinion a slow evolution of the restructuring process does not solve the problem of wasting its resources, on the contrary it leads to a strong, condemnable waste of them.

Answering a question referring to the contradictory talks in the transition period on the right of property, Mr. Stolojan appreciated that the right of property should be restored as soon as possible because without it the change of income into capital—a golden rule of the market economy—cannot be achieved. As long as the problem of the right of property is not clear, the income does not change into capital but it wastes, Mr. Stolojan said in the context. In his opinion now Romania pays the tribute of having consumed more than its possibilities—this depending upon the social cost of the transition, cost which has certain limits and should be made bearing. In the context the Romanian prime minister declared for a stop to foreign credits for consumption and their orientation towards investments, for the introduction of new technologies, re-equipment, etc. Otherwise, Mr. Stolojan underscored, we'll face a foreign debt of billions of dollars for consumption and a potential more or less similar to the present one, but surely increased difficulties.

I am optimistic as far as the country's future is concerned, Mr. Stolojan said, mentioning that his optimism is generated by his conviction that there is no other way than the chosen one, that—sooner or later—the measures to be taken are the ones stipulated in the report on the government's targets. Here are the premier's conclusions drawn at the end of this year: The population understood that the transition is not a one-two-day-long stage but a long one; the country's citizens understood that the change of governments is not the solution to the problems confronting the economy, the only solution being the achievement of the market economy; the stage of "naive" approaches of the market economy has passed and the people understood that the change of governments means to proceed along a zigzag and not a straight course to the set target.

Any government to come, the Romanian premier emphasised, cannot follow but one way: The achievement of democracy and of the market economy.

In his interview Mr. Stolojan also asserted that the general elections in April 1992 is a necessity for Romania and the government's duty is to take all the measures to this end because the problems of this country should be approached only on a medium or long term.

Meets Press, Comments on Economics

AU2812150391 Bucharest ROMPRES in English 0825 GMT 28 Dec 91

[Text] Bucharest ROMPRES 28/12/1991—Friday evening, 27 December, Prime Minister Theodor Stolojan met with Romanian and foreign press representatives over a glass of champagne on the occasion of the Christmas celebrations.

The premier availed himself of the opportunity to highlight some of Romania's main economic problems. Referring to the 35 percent production drop as against 1989 figures, due to both external and internal factors, the premier named the necessity to stop this course as the main target in 1992. The present and the future governments' main concern, he said, should be how to stabilise production, the only key to stabilise the citizens' standard of living.

Relative to the unification of the leu's rates of exchange, the premier showed that this had become the trading companies' precision instrument for their economic calculus and self-control.

Premier Stolojan also informed the audience about the new wage system, to become effective from 1 January

1992, which allows total liberalisation of salaries on condition that the managers lay off inefficient employees.

Discusses Wages, Indexation Issues

AU3012183691 Bucharest ROMPRES in English 1806 GMT 30 Dec 91

[Text] Bucharest ROMPRES 30/12/1991—In the afternoon of December 30 Romania's Prime Minister Theodor Stolojan together with the minister of economy and finances, the minister of labour and social protection as well as with the representatives of the ministry of the budget of the state incomes and financial control and of the prices and competition protection department analysed—during a working meeting held at the Victoria Palace—the main elements of the pay system in 1992 and the indexation of population's incomes for January-April 1992. The indexation takes into consideration the prices-salaries correlation so that the stability of prices and the avoiding of inflationist pressures in the economy be ensured. The indexation will also take into consideration the fact that, starting January 1, 1992 a new pay system of the trade companies with majority state capital will come into force.

Socialist Party of Labor Fails To Register

AU3012133291 Bucharest TINERETUL LIBER in Romanian 25 Dec 91 p 1

[A.M. Press note: "The Socialist Party of Labor Will Not Participate in Elections"]

[Text] On 19 December 1991, the Socialist Party of Labor submitted an appeal to the Bucharest Municipality Tribunal asking for a registration form. Additionally, the tribunal was threatened that it would bear all the consequences if the form was not granted, since 19 December was the last day for submitting the electoral forms. After the lists of party registrations had been checked, under point number 27, the Democratic Party of Labor was found listed and not the Socialist Party of Labor.

Therefore, the party of the former communist leader Ilie Verdet will not be able to participate in the local elections. However, Mr. Corneliu Turianu, the president of the Bucharest Municipality Tribunal, insisted on answering the Socialist Party of Labor, or rather Mr. Ilie Verdet's ultimatum, in his capacity as common citizen, explaining it to him that from a legal point of view, his party does not exist.

Development Agency on PHARE Program Progress

AU3012104491 Bucharest ROMPRES in English 0922 GMT 30 Dec 91

[Text] Bucharest, ROMPRES, 30/12/91—By the end of November 1991 the PHARE [Economic Reconstruction Aid for Poland and Hungary] programs for Romania engaged 228.12 million ECU, of which 72.22 million ECU were contracted and 48.92 million ECU (38.5 per cent) were paid, the Romanian Agency for Development reports. G24 offers Romania three categories of programs: national, humanitarian, and food aid.

One hundred million ECU were engaged in the national programs, of which only 25.3 per cent was paid. Of that money, the funds meant for technical assistance stand at 22 million ECU, of which 2.02 million ECU were contracted and Romania actually took in only 1.876 ECU. But the program will extend by July 31, 1994.

The situation is similar in the domain of health assistance (a program under way by December 31, 1993.) Of the 25 million ECU engaged the country actually got 55.5 thousand ECU (0.2 per cent) by November 29,1991.

Of the 25 million ECU engaged for agriculture 12.34 million were contracted and 10.67 million (42.7 per cent) actually paid. The program is due to end on December 31, 1993. The same deadline is set for the 18 million ECU programs meant to finance emergency imports for transport and food industry, that started on November 27, 1991. The funds are meant for emergency aid, for orphanages, children, health and flood victims. For the latter, the fund was worth 300 thousand ECU, but nothing has been contracted so far.

Likewise, 83 million ECU were engaged for emergency food aid and for the 1991-1992 winter.

Former King Addresses New Year Message to Nation

AU3012172491 Bucharest ROMPRES in English 1639 GMT 30 Dec 91

[Text] Bucharest ROMPRES 30/12/1991—Former King of Romania Michael sent a New Year's eve message to the country, received by national news agency ROMPRES, which reads among other things: At the beginning of the New Year I ask you, despite suffering and sacrifices, not to lose hope and confidence in the future. History's natural course cannot elude Romania and cannot be stopped arbitrarily somewhere between communism and democracy. Mentioning that as long as he lives he will serve the cause of the Romanian people, the former sovereign shows that he is in a position, even where he is, to fight for the future of the nation, for Romania's reputation.

Reunification With Moldova Hoped For in 1992

AU3012172391 Bucharest ROMPRES in English 1640 GMT 30 Dec 91

[Text] Bucharest ROMPRES 30/12/1991—In an appeal adopted at the meeting held in Iasi on December 28 and 29 the National Union Council assesses that 1992 may be the year of the reunification of the Romanian nation. This is the hope of the National Union Council, the appeal reads, made up of 46 parliamentarians from

Chisinau [Kishinev] and 61 parliamentarians from Bucharest, as founding members. The disintegration of the Soviet empire, the appeal reads, has provided real possibilities to do away with the consequences of the Molotov-Ribbentrop Pact.

Justice Minister Concludes Visit to China

AU2712173491 Bucharest ROMPRES in English 1521 GMT 27 Dec 91

[Text] Bucharest ROMPRES, 27/12/1991—Mr. Mircea Ionescu-Quintus, minister of justice of Romania, paid a visit to the People's Republic of China as head of a delegation over December 16-24 upon an invitation extended by that country's Justice Ministry.

A press release of the Ministry of Justice shows that during the visit the legislative changes wrought in Romania in the past two years were reviewed and it was shown that the respective changes concerned the observance of human rights, the passage to a market economy, judicial organization and the adoption of the new constitution. In its turn, the Chinese side outlined the legal framework in the economic area which is aimed at the introduction of foreign capital, the creation of free zones and the privatization of the economy.

The Chinese side was appreciative of the recent opening in Constanta of a Chinese Consulate General and the need was highlighted for the creation of a Romanian Consulate General in Shanghai. Talks were conducted on a long-term programme for cooperation in the legal field with a view to applying the two recently concluded international instruments on interchanges of expert in legiferation, the organization of scientific events of mutual interest and exchanges of documentations.

International

Vance Arrives in Belgrade; Schedule Detailed

LD3112034191 Belgrade TANJUG in English 0058 GMT 31 Dec 91

[Text] Belgrade, December 30 (TANJUG)—Cyrus Vance, the U.N. secretary-general's special emissary, said on arrival here this evening that, tomorrow, he was due to talk with Yugoslavia's political and military leaders about their "final conclusions relative to the U.N. peace plan" for solving the crisis in Yugoslavia.

Asked by the press whether he is as well the carrier of "a plan for creating a third Yugoslavia," Vance gave no definite reply.

In his estimate, Yugoslavia's political and military leaders have had two and a half weeks of time, since his preceding visit to Yugoslavia, to thoroughly study the U.N. peace plan.

The special U.N. emissary also voiced his disappointment with fights still being on in Yugoslavia's crisis-hit areas.

Tomorrow, Vance is to have talks with Serbia's president, Slobodan Milosevic, and the federal secretary for national defence, Gen. Veljko Kadijevic. Also scheduled is his meeting with Borisav Jovic, member of Yugoslavia's Presidency and concurrently chairman of the state committee for cooperation with U.N. representatives in the matter of engaging a U.N. peacekeeping force in Yugoslavia.

Tomorrow afternoon, he is due to hear a report from the U.N. preparatory group members on the situation prevailing in the crisis-hit areas which should be proclaimed areas under the U.N. protection.

When his talks in Belgrade are over, Vance should go to Zagreb and Sarajevo.

Meets With President Milosevic

AU3112131291 Belgrade Radio Belgrade Network in Serbo-Croatian 1200 GMT 31 Dec 91

[Statement by Cyrus Vance, special envoy of the UN secretary general, after his talks with Serbian President Slobodan Milosevic in Belgrade on 31 December—recorded, in English with superimposed Serbo-Croatian translation]

[Text] [Vance] We had a good discussion about the proposal and I think that some problem areas connected with the proposal for the peace operation have been further clarified. However, I must return to something that I have said many times in the past. As long as there is no lasting truce we cannot go ahead with the peace operations. The truce has not been established yet. Fighting appears to be more fierce than the last time I was here.

[Announcer] Answering the question of which side violated the cease-fire agreement, Cyrus Vance said that it looked as if both sides were doing it, adding that he will meet representatives of Croatia and the Army, and the he did not know yet whether he will visit Sarajevo.

Milosevic Assesses Talks

AU3112130291 Belgrade Radio Belgrade Network in Serbo-Croatian 1200 GMT 31 Dec 91

[Interview with Slobodan Milosevic, president of the Republic of Serbia, by unidentified correspondent after his talks with Cyrus Vance, special envoy of the UN secretary general, in Belgrade on 31 December—recorded]

[Text] [Milosevic] I think I have good news for you regarding the talks that we held. I can say that there is not a single contentious point concerning Cyrus Vance's plan from the point of view of the policies of the Republic of Serbia. We think that this plan is very good and expect, on the basis of this plan, that the UN peace forces will protect the entire territories of the Krajinas and that this will help toward the Yugoslav crisis being resolved in a peaceful way. This is not all. I think that this should facilitate the earliest possible return of the refugees to their homes. This means that people will be able to return to their normal lives without fear that they will be attacked or that they will again be exposed to the genocide to which, as we can see, they have been exposed for the third time in those regions in this century.

[Correspondent] Could you tell us whether this is a new formula or a modification of the initial version for bringing in the blue helmets?

[Milosevic] This is in fact the consistent approach that the mission of Cyrus Vance has had right from the beginning. Of course, this approach has evolved and has adjusted itself to the existing situation as a whole. Therefore, I think at this moment such an approach offers guarantees that in fact no military formations or armed groups will be allowed to be present on the territories of the Krajinas, in which the citizens will therefore be able to feel completely safe and to decide freely on their fate, their political will, and their future.

However, I must also say—so that this does not sound like excessive optimism—that there is a big problem, namely the problem of observing the cease-fire. As you know, the problem with respecting the cease-fire is on the side of the Croatian formations that carried out very serious crimes against the population in western Slavonia, particularly in the last few weeks. We indeed expect the international public and Cyrus Vance's mission to contribute toward having the Croatian side also observe the truce, that is to say, to create conditions for the final arrival of peace forces. There are no disagreements about this on our side. I think that we have resolved all contentious issues very successfully.

[Correspondent] Was anything said about the proposal made in Brussels on recognizing the independence of the Yugoslav republics?

[Milosevic] We discussed this. I cannot speak on behalf of Cyrus Vance, but I would like to draw your attention to the fact that in the international public, and in the statements of the secretary general, and Mr. Vance himself, there was a very negative stand toward this prior and premature recognition before the Yugoslav crisis is resolved. I think that this stand is correct, that is to say, that this premature recognition of some republics by certain countries will certainly not contribute toward the denouement of the Yugoslav crisis. However, if Cyrus Vance's concept is carried out, I think that we will find ourselves in a completely new situation, in a situation in which peace is finally established so that we can finally, without pressure, resolve the crisis in a peaceful way and through negotiations.

[Correspondent] Thank you.

[Milosevic] Thank you.

Tomac, U.S. Congressman Moody Discuss Crisis

LD3012182391 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 30 Dec 91

[Text] Croatian Deputy Premier Dr. Zdravko Tomac, received U.S. Congressman Jim Moody in Zagreb today and informed him of current wartime problems in Croatia. The Yugoslav Army, Dr. Tomac stressed, would not have embarked on a war against Croatia, if the United States had not supported the integrity of Yugoslavia and if it had acted in the same way as the USSR.

The U.S. congressman set out his point of view that the United States should recognize Croatia. The two men agreed that there is a need to end the war as urgently as possible, that units of the former Yugoslav People's Army should leave the whole territory of the Republic of Croatia, and that blue helmets should come to Croatia as quickly as possible.

Tudjman Receives Russian Consul General Girenko

LD3012172391 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 30 Dec 91

[Text] Dr. Franjo Tudjman, president of the Republic of Croatia, today received in Zagreb Yuriy Girenko, consul general of the Russian Federation, who informed him officially of the decision to redesignate the USSR Consulate General in Zagreb as the Consulate General of the Russian Federation.

Thanking President Tudjman for the decision of the Croatian Assembly to recognize the state which is the successor of the USSR, Girenko informed President Tudjman that recognition of the Republic of Croatia is being considered by the highest organs of the Russian Federation.

President Tudjman was particularly interested in the official interpretation of the ways in which the former Soviet republics are approaching the problems of dissociation and of taking over the rights and obligations of the former Soviet state. Consul General Girenko stressed that at Alma-Ata meeting it was agreed that the Russian Federation will take over the international rights and obligations of the former USSR. He further said that in contrast to the concept of the right of inheritance, the concept of the state taking over this legacy does not envisage formal international legal recognition of such a state, but it does not exclude other republics from such rights and obligations. The regulation of these rights and obligations will be resolved by reciprocal agreements between states which have emerged from the USSR and through the relations between them.

Girenko stressed that the other republics are not exempt from fulfilling the international obligations of the former USSR, but they must guarantee them, in keeping with their own constitutional procedures and international obligations which arise out of the Alma-Ata agreement as well as out of the agreements and obligations of the former Soviet state. Russia, Girenko explained, as the state taking over, will contribute to the Commonwealth of Independent States members in fulfilling their obligations through bilateral relations.

Thanking Consul General Girenko for his exhaustive explanation as well as the hitherto fruitful cooperation, President Tudjman expressed the conviction that they will now cooperate even more intensively to the benefit of the peoples of the Russian Federation and of the Republic of Croatia.

Federal

Presidency Letter to EC on Border 'Standpoints'

LD3112135291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1443 GMT 30 Dec 91

[Text] Belgrade, 30 Dec (TANJUG)—In a document sent today to the arbitration commission of the conference on Yugoslavia the SFRY Presidency notes that the internal demarcation lines between Croatia and Serbia and between Serbia and Bosnia-Hercegovina are not borders as understood by international law.

The following is the full text of the document entitled "The SFRY Presidency Standpoints on the Issue of Whether the Internal Demarcation Lines Between Croatia ad Serbia and Between Serbia and Bosnia-Hercegovina Are Borders as Interpreted by International Law":

By a decision of 25 June 1991 the Republic of Croatia Assembly declared the republic "a sovereign and independent state" on the basis of the "Croatian nation's right to self-determination, incuding the right to separation" from the SFRY.

At the end of December 1991 and proceeding from this decision he Republic of Croatia sent the EC a request for recognition as an independent state.

By a decision of 14 October 1991 the Assembly of Bosnia-Hercegovina (in the presence of delegates of Muslim and Croatian nationality alone and without delegates of Serbian natonality) declared Bosnia-Hercegovina a sovereign republic.

On 23 December and proceeding from the above decision the Presidency and the government of this republic sent the EC a request for the international recognition of Bosnia-Hercegovina.

By the above decisions the Republic of Croatia and the Socialist Republic of Bosnia-Hercegovina, in contravention of the SFRY Constitution (and in the case of Bosnia-Hercegovina in contravention of its own constitution) unilaterally altered the character of the internal administrative borders between the republics and the SFRY international border.

These two republics justify their decisions by stating that:

1. They are republic states as interpreted by international law;

2. Borders between the republics are international borders as interpreted by international law.

In reply to the question by Mr. Robert Badinter, chairman of the arbitration commission of the conference on Yugoslavia "whether the internal demarcation lines between Croatia and Serbia and between Serbia and Bosnia-Hercegovina correspond to the interpretation of international law", the republics of Croatia, Bosnia-Hercegovina, and Slovenia answered in the affirmative while the answer by the Republic of Serbia and of the Assembly of the Serbian people in Bosnia-Hercegovina was negative.

At its session of 27 December 1991 the SFRY Presidency adopted the following stands concerning the same issue and on the basis of views by competent federal institutions and Yugoslav legal theory as well as the arguments put forward by the republics and representatives of the Serbian people in Bosnia-Hercegovina.

Standpoints

1. From the historical point of view, borders between the territories of individual Yugoslav nations were set up and altered depending on when they formed their own states, when their statehood was terminated, and on major shifts and migrations of the population and peoples, religious conflicts and divisions, and so on.

(Note: The territories and regions of the medieval states of Serbia, Croatia, Zeta, Bosnia, Slovenia, Macedonia, Bulgaria, and Byzantine were changing at a fast rate. For instance, Slovenia very quickly lost its statehood and over the centuries right up to World War II failed to regain it. The Croatian territory extended from the central Adriatic coast to the north and until it incorporated Slavonia, Dalmatia, and the Republic of Dubrovnik in the 20th century it was always smaller than the present day one. At one time in the Middle Ages the Serbian state incorporated the entire Albania and Greece and territories beyond Split, etc. In the 19th and 20th centuries individual Yugoslav peoples linked their territorial aspirations to the conquering of Austria-Hungary (Croats, Slovenes), or to the demise of the Ottoman Empire (Serbs, Montenegrins, Macedonians, Bulgarians and others). At the same time there also existed the powerful idea of the unification of all the southern Slavs in one state. State borders, in the true sense of the word, were only possessed by Serbia and Montenegro from the day they were internationally recognized in 1878.

In light of the above, to invoke exclusively historical criteria and to divide borders between "old" and "new" ones, etc—which the republics of Croatia, Bosnia-Hercegovina, and Slovenia have done—cannot be taken as an argument for automatically declaring the current internal borders of the Yugoslav republics as borders as defined by international law.

2. Territorial divisions and reorganization carried out in the Kingdom of Yugoslavia, that is, in the Kingdom of Serbs, Croats, and Slovenes set up in 1918 by the states of Serbia and Montenegro on one hand and the nations (Slovenes, Croats, and Serbs) which left the Austro-Hungarian monarchy after the coup on the other hand, were specifically of administrative character (1922, 1929, and in 1939)

However, the setting up of the district [banovina] of Croatia in 1939 had a specifically national-political dimension. For the first time Croatia, Dalmatia, and Slovenia were incorporated in one state. Although the formation of the District of Croatia was carried out to their detriment, the Serbian people (847,000 Serbs lived in Croatia at that time) did not become alarmed since they saw Yugoslavia as a guarantee of their national and physical existence.

(Note: An attempt by representatives of the Serbian people in Bihac to create "the administrative and territorial unit of Krajina" which would include 25 municipalities and 600,000 inhabitants, proved abortive.)

How much this hope was unreal became apparent back in 1941 when, even before formal capitulation of Yugoslavia was signed, the Independent State of Croatia had been created under the auspices of Germany and Italy, comprising territories of former districts of Croatia, Vrbaska, Dunavska and Drinska. Soon after it had been created this criminal state started perpetrating genocide against the Serbian population, the Jews and the Gypsies. It has never been established precisely how many Serbs were killed or burned in concentration camps which the Independent State of Croatia—the only state in adddition to Nazi Germany—set up. It has never been established how much it changed the ethnic map of

territories to which Croatia today has pretensions, and also to the territory of Bosnia-Hercegovina. But, only the fact that ustashas in the Jasenovac concentration camp put to death in the most inhumane way approximately 700,000 people, the majority of them Serbs, confirms that fact sufficiently.

Therefore, Croatia's renunciation of territories up to Zemun and its acceptance of the present administrative borders between Croatia and Serbia as international borders sounds nothing less than cynical.

3. At the second session of the Anti-Fascist Council of the National Liberation of Yugoslavia, held in 1943, a decision was made to build Yugoslavia on the federal principle after the war. Federal units were drawn up, but not their borders. The assertion of Slovenia that "Yugoslavia was set up at the second session of the Anti-Fascist Council of the National Liberation of Yugoslavia as a federation of republics with already demarcated territories" is completely unfounded.

The present interrepublican borders in Yugoslavia were drawn up in specific war and other unfavorable conditions and hence they could not have been a result of a democratic procedure and a historical agreement between Yugoslav nations. In such circumstances it was impossible to observe national, economic, political and other principles relative to the demarcation of internal borders.

Namely, the present borders between federal units (republics) were drawn up in the period between 1943 and 1947 in an atmosphere of a very emphasized ruling ideology, according to which "socialism finally resolved the national question." The problem of interrepublican borders was always considered unimportant and they were always treated as administrative. It has never been established who actually drew up these borders. There is no legal nor any other kind of document, not even a document of any party body to this effect.

The way in which the interrepublican borders appeared and were accepted, however, indicates that the decision on them was adopted by the top circle of the most responsible people of the Communist Party of Yugoslavia. That is best confirmed by the fact that the territorial division of Yugoslavia was implemented practically by "copying" the territorial organization of the Communist Party of Yugoslavia.

4. All legal documents which were adopted later only sanctioned this created situation, requiring legalization. Namely, in the period between 1945 and 1947 a procedure of recognition of the demarcated borders between federal units was under way, through the process of adoption of republican laws on the territorial division. Since then these borders have undergone slight changes. However, in the light of the fact that a basic legal document on territorial division has never been adopted by a competent federal body, the present interrepublican borders have no legitimacy.

5. Both on the basis of international and internal law, borders of federal units within a composite state cannot be treated as international borders.

In international law the term "border" is linked exclusively to states as subjects of international law. Such borders are internationally recognized and relevant to maintaining relations between countries within the international community.

Borders between federal units within a composite state are of an administrative nature because they define scope of competence of territorial and political units within a single legal territory of a federation. These internal borders have no international importance because they are set up by the composite state, which follows principles of its own constitutional system, in which there is no need for the involvement of other countries and international organizations.

6. Yugoslavia, not its federal units, is the signatory of many important international documents which guarantee territorial integrity of states and inviolability of borders. For example, the UN Charter with its basic principles (Article 2) envisages that members of this organization should refrain from threatening to use or from using force against the territorial integrity of any country.

Among principles which states should pursue in their mutual relations, the final CSCE document (1975) underlines the right of each country to territorial integrity, envisages the observance of territorial integrity of other countries and refraining from any activity able to endanger that integrity. The document also stresses that countries consider all their mutual borders (i.e. external borders) inviolable—this also refers to borders of all states in Europe—and therefore they will refrain from attacking those borders and from conquering or usurping a part or the whole of the territory of any state. They consider that their borders can be changed only in accordance with international law, in a peaceful way through agreements.

7. Yugoslavia is a founder of the UN organization and a member of many other universal and specialized international organizations. It is also a signatory of a few thousand international and bilateral contracts. It has maintained diplomatic relations with 153 countries. It is the exclusive subject of international law and only its borders are relevant from the international law perspective. In the light of the fact that "borders" between federal units solely represent lines of administrative division, which were defined by the federal state itself, no federal unit is able to unilaterally change these lines into international borders. Neither is the international community able to do that without crudely interfering in internal affairs of a sovereign state and without violating international law. Therefore the recognition of internal borders between republics, including demarcation lines

between Croatia and Serbia, Serbia and Bosnia-Hercegovina, as state borders would mean the violation of international law and would be a dangerous precedent in international relations.

8. References (in the letter of the Republic of Slovenia) to some decisions of the U.S. Supreme Court, which resolved territorial disputes between certain U.S. states through the application of principles of international law regarding borders—cannot be taken as an analogy in treating the Yugoslav situation because these states further remained strongly linked and integrated in the federal structure of the United States. On the other hand, the principle of effectiveness, Uti Possidetis [as received] from 1810, to which a Croatian letter refers, is of no use in the current Yugoslav dispute because it was used to settle disputes between states without a base in any international legal document.

9. From the point of view of the constitutional and legal system of Yugoslavia (its internal law), administrative borders between its republics cannot be considered borders in the sense of international public law.

Unlike the state borders of the SFRY, the administrative borders between republics have not been marked. People and goods have been crossing these borders according to the SFRY Constitution and its laws.

Article 5 of the SFRY Constitution stipulates that the SFRY territory is integral, and that it is composed of territories of socialist republics, and also that the SFRY borders cannot be changed without the consent of all republics, while borders between republics can be changed only on the basis of an agreement between relevant republics.

This constitutional provision is protected by the Penal Code of the SFRY, incriminating every activity aimed at forceful or unconstitutional secession of a part of the SFRY territory, or annexation of a part of the SFRY territory to another country.

10. Given that decisions of some Yugoslav republics on the proclamation of "sovereignty and independence" represent acts of secession both from an internal legal perspective, the UN Charter and the CSCE documents, and that these decisions are not based on the equal right to self-determination of constitutive nations, transforming administrative borders into state borders of these republics in this case has no legal basis and they cannot be considered borders in the sense of international public law.

The SFRY's international borders were formalized by acts of international law—international agreements and treaties—in a procedure outlined by international law. The administrative borders between its federal units were ratified by internal legal acts (during the post-war territorial divisions). Such borders do not meet the conditions for either international recognition or consideration as independent and sovereign state borders.

11. Although the arbitration commission has asked for views about the borders between Serbia and Croatia and between Serbia and Bosnia-Hercegovina alone, the SFRY Presidency maintains that in the case of Croatia seceding from Yugoslavia, the priority task will be to resolve the problem of border delineation between the Republic of Croatia and Yugoslavia on the territory of Montenegro. This refers to the Prevlaka peninsula problem currently part of the Republic of Croatia but belonging geographically to the Boka Kotorska Bay. If the Republic of Croatia becomes an independent state before its administrative border with Montenegro is corrected so that the Prevlaka peninsula becomes an integral part of Montenegro, Yugoslavia's and Montenegro's sovereignty would be threatened.

Given this and the fact that the peninsula is not populated and in light of the principles of international law—especially the principle safeguarding the sovereignty of states—the geographical position principle and the principle of justice, the SFRY Presidency maintains that the Prevlaka peninsula should become an integral part of Montenegro.

In view of all the above facts the inevitable conclusion is that the internal demarcation lines between Croatia and Serbia and between Serbia and Bosnia-Hercegovina are not borders as interpreted by international law. From that aspect they remain an open issue and are subject to delineation and could be factors in negotations about the secession of certain nations, or republics from Yugoslavia.

1. [number as received] The SFRY Presidency stresses that the borders between the federal units (republics) are administrative and that, in view of by whom, when, and under what circumstances they were formalized, they do not meet internationally recognized legal, constitutional, and legitimate conditions to gain independent and sovereign states border status unless an agreement is reached beforehand between all Yugoslav republics and primarily those directly involved.

2. The SFRY Presidency holds the nation-state's inalienable right to self-determination cannot be considered separately from the territories issue and, by implication, the borders issue because in that case the right to secession becomes merely a declarative one. If all constitutive nations in individual republics decide not to continue to live together with others or one of them decides to secede and due to historical circumstances—which resulted in specific ethnic mixture not just of Yugoslavia but also of its republics, except Slovenia—drawing demarcation lines or ethnic borders will be exceptionally complex—and in Bosnia-Hercegovina almost unbridgable—problem.

The SFRY Presidency maintains that the standpoints sent by the republics of Slovenia, Croatia, and Bosnia-Hercegovina to the arbitration commission concerning the problems of realizing the right to self-determination and of the borders have no legal foundation or argument

and are unilateral...[ellipses as received] The SFRY Presidency therefore insists on its previous conclusion—sent to the arbitration commission on 18 December 1991—that the Serbian population in the Republic of Croatia and in the Socialist Republic of Bosnia-Hercegovina has the right to self-determination as a constitutive nation in both Yugoslavia and the two republics.

As a result of the above, unilateral decisions to recognize the Yugoslav republics of Croatia and Bosnia-Hercegovina as independent states within the existing administrative borders would be a constitutionally unfounded and extremely dangerous and irresponsible act. It would solve nothing but would only serve further to exacerbate relations and would result in fresh armed clashes and in the escalation of the existing conflicts. Any international effort to organize this act would be seen as a flagrant violation of the basic provisions of international law by the country involved.

3. At the same time the SFRY Presidency wishes to emphasize its principled stand and commitment that each Yugoslav nation has the right to self-determination including the right to secession and reassociation. However, these can be implemented only through a legitimate procedure and on the basis of commonly accepted terms and criteria for secession or for remaining in the community. The borders between any new state entities on the current Yugoslav territory would be delineated according to relevant international legal norms.

In addition, and in reference to the problem of recognizing the independence and sovereignty of the republics which wish to leave Yugoslavia, the SFRY Presidency insists on the need to employ the constitutionally envisaged procedure and manner of delineation and of settling common rights and obligations before their independence and sovereignty are recognized. The SFRY Presidency wishes to draw attention to another important fact to justify the above point: The republics of Slovenia and Croatia must bear in mind that the freedom and independence of Yugoslavia resulted from a common struggle by all its nations and citizens and that Yugoslavia was the factor in determining its borders with neighooring countries which, at the same time, were the borders of the two republics with those countries. This gives Yugoslavia the right to ask the two republics to adhere to the legitimate and commonly agreed way of gaining independence.

This presupposes as one of the conditions for their recognition a preliminary agreement and a just territorial delineation and the formulation of reciprocal rights and obligations resulting from many years of coexistence.

Full respect for all of these demands will enable each of the Yugoslav constitutive nations to make decisions about its future independently as the only way of overcoming the Yugoslav crisis in a peaceful and democratic way. On that basis and after the delineation has been completed and reciprocal rights and obligations settled will it be possible to reach an agreement in the country on recognizing the independence of the republics before other countries do so.

4. In this context the SFRY Presidency warns of the complex nature of the issue of exercizing the right to self-determination of the three nations in the Socialist Republic of Bosnia-Hercegovina—Muslims, Serbs, and Croats—primarily as a result of an obvious ethnic intermingling between Muslims and Serbs and to a lesser extent Croats. In this republic it is impossible and extremely dangerous to resolve this issue without the consent of all three constitutive nations. The decision of the leadership of the Socialist Republic of Bosnia-Hercegovina to seek international recognition for the republic is therefore unacceptable, illegitimate, and illegal. This decision is not based on the democratically expressed will of one of the three constitutive nations and is contrary to the will of the Serbian nation in Bosnia- Hercegovina which, at a referendum, voted in favor of staying in Yugoslavia. The Muslim and Croat nations were not given an opportunity to vote on this inalienable right directly, that is, in a referendum, concludes the SFRY Presidency letter signed by Vice President Branko Kostic.

Kostic on Continued Existence of Federation

LD2612164991 Belgrade TANJUG in English 2113 GMT 25 Dec 91

[Text] Belgrade, December 25 (TANJUG)—Vice President of the Yugoslav Presidency Branko Kostic stated on Wednesday [25 December] that Yugoslavia "as an international entity and founder of the United Nations met all the conditions to remain the subject of international law."

In an interview to Belgrade Radio, he invoked the stand of "a large number of countries, especially among the Movement of Non-Alignment."

Kostic's assessment that recognition of independence to Slovenia and Croatia by the European Community would not mean full international recognition of these republics which have unilaterally seceded from Yugoslavia.

There was no full recognition, Kostic warned, until all new states were not recognized at the United Nations.

Kostic, however, warned that in case of recognition of Slovenia and Croatia, and possibly, Macedonia and Bosnia-Hercegovina, the possibility, as he put it, should not be ruled out that "more than 55 percent of the people, who wish to stay in Yugoslavia, on their part, make the corresponding moves."

This, he explained, would most likely mean recognition of the Republic of Serbian Krajina and the constituting of a new state community, in which, in Kostic's view, the existing Yugoslav Republics of Serbia and Montenegro,

Republic of Serbian Krajina and Serbian Republic of Bosnia and Hercegovina would join.

The latter two republics have been formed this month in parts of the territories of the Republics of Croatia and Bosnia-Hercegovina in which Serbs make up the majority population.

Defining the territories and the peoples which would enter the new communities, in Kostic's view, was an open question.

'New Yugoslavia' Convention Slated for 3 Jan

LD2612185191 Belgrade TANJUG in English 1746 GMT 26 Dec 91

[Text] Belgrade, Dec 26 (TANJUG)—Representatives of the Presidency of Yugoslavia, the federal parliament, 11 Yugoslav-oriented parties in Bosnia-Hercegovina, and a group of independent members of the Bosnia-Hercegovina parliament today decided that a meeting at which a convention on a new Yugoslavia would be adopted be held in Belgrade on January 3.

All political parties, associations, and movements from the parts of the country which urge the preservation and continuity of Yugoslavia, as a democratic and sovereign state community of all who wish to live in it, will be invited to the January 3 meeting in Belgrade, as a statement released after today's meeting sets out.

A coordinating body, which is to draw up the draft convention on a new Yugoslavia was formed at today's meeting. The meeting was held at the initiative of the Party of Federalists of Bosnia-Hercegovina.

Presidency of Yugoslavia Vice-President Branko Kostic, the representative of the Republic of Montenegro in the collective state leadership, who chaired today's meeting, said that federal Presidency's specialized services were preparing a "paper" which would offer a number of variants for the future Yugoslavia.

Kostic said that nobody would be limited in the new Yugoslavia, regardless of nationality and faith, and that a greater degree of democracy would be ensured through multi-party elections.

Radovan Karadzic, leader of the Serbian Democratic Party, the second strongest of the three coalition parties in Bosnia-Hercegovina, set out that 13 million of the over 23 million inhabitants of Yugoslavia wanted to preserve Yugoslavia.

Karadzic said that a solution to the Yugoslav crisis should be sought with the assistance of the United Nations, and in no case with that of the European Community which he said had chosen for Yugoslavia the same fate as that met by Czechoslovakia on the eve of World War Two.

Karadzic said, "We must persevere until Europe realizes that a greater-German march" is under way.

Salko Alicehic of the Party of Yugoslavs of Bosnia-Hercegovina said that he saw Macedonia, Serbia, Montenegro and Bosnia-Hercegovina making up the new Yugoslavia, and stressed that the door would be left open for Slovenia and Croatia.

Slovenia and Croatia in late June took unilateral decisions on secession from Yugoslavia.

The strongest of the three parties which make up the ruling coalition in Bosnia-Hercegovina is the Democratic Action Party which rallies Muslims. The third strongest is the Croatian Democratic Union.

The Muslims and Croats in Bosnia-Hercegovina have taken a decision on the republic's independence, whereas the Serbs, who refuse to break away from Yugoslavia and who opposed the decision on the republic's independence, have announced that they will form the Republic of the Serbian People in Bosnia-Hercegovina out of the areas which are predominantly populated by Serbs.

Assembly Discusses Proposed 1992 Budget

LD2612101891 Belgrade TANJUG in English 1754 GMT 25 Dec 91

[Text] Belgrade, Dec 25 (TANJUG)—The Federal Government should withdraw its draft federal budget, which was drawn for the first quarter of 1992 alone and envisages insufficient funds for interventions in the economy and the financing of undeveloped parts and veterans' subsidies, as set out at the Federal Assembly in Belgrade today.

The federal government proposed a budget of 305.1 billion dinars (around 24.3 billion German marks at the official rate) for the first three month of this year.

Federal Prime Minister Ante Markovic has resigned over a dispute on whether 245 billion dinars or 80.3 percent of the budget should be allocated for the Yugoslav People's Army (JNA). Markovic said such a budget "means not only that the war will continue, but also that all economic and social prospects will be lost."

The Legislative Commission of the Chamber of Republics and Provinces (one of the Federal Assmebly's two chambers) today set out that under the Yugoslav Constitution, the federal government was bound to submit to the Federal Assembly a draft federal budget for the whole of 1992.

The commission said only stands of those republican assemblies, which meet the agreed deadline, would be coordinated.

Assembly members from the republics of Slovenia and Croatia no longer participate in the work of the federal parliament, since the two republics unilaterally proclaimed independence and sovereignty.

Meantime, representatives of the federal Finance Secretariat said the budget funds allocated for the JNA

covered only necessary needs of the Army. Should the budget include all JNA needs envisaged by the law, the allocation for the army would be much higher than the proposed one, as finance secretariat representatives said at the Federal Assembly's committee for the federal budget.

The budget is expected to be endorsed on December 29 and 30, when sessions of the Assembly's two chambers are to be held.

Macedonian, Serbian Presidents Meet in Ohrid

LD2712172691 Belgrade TANJUG in English 1615 GMT 27 Dec 91

[Text] Ohrid, Dec 27 (TANJUG)—Presidents Kiro Gligorov of Macedonia and Slobodan Milosevic of Serbia discussed in Ohrid, Macedonia, today relations and cooperation between the two Yugoslav republics, and topical issues of the Yugoslav crisis, as the office of the Macedonian president announced.

The Ohrid talks, hosted by Gligorov, were attended also by Yugoslav Presidency members Vasil Tupurkovski and Borisav Jovic, Macedonian parliament President Stojan Andov, and Serbian Foreign Minister Vladislav Jovanovic.

Zagreb Radio Reviews Meeting

LD2812092791 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 27 Dec 91

[Text] The Ohrid meeting between [Macedonian President] Gligorov and [Serbian President] Milosevic which, as reported by Macedonian Radio, took place under strong police protection and in deep secrecy, caused real surprise among the Macedonian public. From terse and brief statements one can only gather that reciprocal relations and cooperation between the two republics and the Yugoslav crisis were discussed.

It is not clear on whose initiative the meeting was held. However, judging by the present relations and conflicts between Macedonia and Serbia, the increasingly pronounced territorial claims by the Northern neighbor vis-a-vis Macedonia, and the threat of war which still exists, as stated during the news conference in the Macedonian Government building today, must have been discussed during the meeting. However, since Serbian spokesmen openly refer to Macedonia as Southern Serbia, one must not rule out the possibility that Macedonia may give assurances of remaining in the so-called Rump Yugoslavia.

Macedonia was expected to ask for an explanation regarding the introduction of a new Yugoslav dinar without its name [on the banknotes], which has alarmed the Macedonian public, while a statement issued today by the Democratic Party of the Macedonian National Unity calls it a political act which is trying to lay down the borders of a future Serboslavia.

What in fact has been discussed between Gligorov and Milosevic—and it must be stated that Tupurkovski, Borisav Jovic, and Serbian Foreign Minister Vladislav Jovanovic were present, although Macedonian Government Minister Dr. Denko Maleski was not—will become known soon after the event. In addition Gligorov is expected to hold a news conference.

National Party Criticizes Talks

AU3012174291 Skopje Radio Macedonia Network in Macedonian 2100 GMT 29 Dec 91

[Text] On the occasion of the talks between the top leaders of the Republic of Macedonia and the Republic of Serbia held in Ohrid yesterday, the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] expresses its principled view that such talks with all neighbors, including the Republic of Serbia, are useful and necessary.

However, it is said in the announcement the party issued today, it is shown that the top Macedonian leaders have again unjustifiably eliminated the Macedonian Parliament, taking upon themselves too great a burden and responsibility of solving and being responsible for the fate of the Macedonian people and the Macedonian state.

Stating in the announcement that neglecting the role of the parliament caused confusion among the citizen of Macedonia and among neighbors and friends in the world, the VMRO-DPMNE demands that shorthand notes of the talks held be made public.

Government Entrusts Police With Bosnia Security

LD2612101491 Belgrade TANJUG in English 1740 GMT 25 Dec 91

[Text] Belgrade, December 25 (TANJUG)—The Yugoslav Government has entrusted the Federal Secretariat of the Interior to continue cooperating with the Yugoslav Republic of Bosnia-Hercegovina police on ensuring the security of citizens and property in the republic, announced the Federal Government Information Secretariat.

According to federal government assessments, this will contribute to preserving the peace in Bosnia-Hercegovina, says the announcement

The federal government upheld an agreement achieved last night by representatives of the Federal Defence Secretariat and the Bosnia-Hercegovina leadership on the disarming of all paramilitary formations in the republic.

It has been announced that the fede... ...ernment will do all that is possible in order to avoid an eventual armed conflict in Bosnia-Hercegovina.

Danger of the war spreading to Bosnia-Hercegovina has grown after the republic asked for recognition by the European Community.

The decision to ask for recognition was made on December 20 by Muslim and Croat representatives who outvoted the Serbian representatives in the Bosnia-Hercegovina Government and Presidency. Following this, the Serbian Assembly in Bosnia-Hercegovina adopted a decision to form a new federal unit in Yugoslavia, the Serbian Republic of Bosnia-Hercegovina by January 15, which would include those territories in the republic where the Serbs are the majority population.

A coalition government is in power in Bosnia-Hercegovina consisting of the national parties of Muslims, Serbs and Croats, and under the constitution, all three nations are constituent and important decisions pertaining to any one of the nations are arrived at by consensus.

Administration on Republics' Budget Contributions

LD2512050191 Belgrade TANJUG in English 1619 GMT 24 Dec 91

[Text] Belgrade, December 24 (TANJUG)—The Yugoslav republics paid 27 billion dinars (some two billion German marks at the official rate of exchange) or 62.8 percent of the planned funds in to the federal budget in the first 11 months of this year.

The federal customs administration issued a statement saying that Serbia paid 11 billion dinars, or 41 percent, in customs and other imports dues, and the other republics 16 billion dinars. This amount partly includes funds paid by Croatia, Slovenia and Macedonia by the middle of the year.

Croatia and Slovenia unilaterally declared secession from Yugoslavia late in June, while Macedonians voted for a "sovereign and independent" republic at a referendum early in September.

The federal customs administration said that Slovenia, Croatia and Macedonia owe at least 17.2 billion dinars, but this amount could be much higher since these republics have not submitted import documents to the federal customs administration for some time and they are necessary to calculate the percentage of payments into the federal budget.

Employees Vote No Confidence in TANJUG Chiefs

LD2612152891 Belgrade TANJUG Domestic Service in Serbo-Croatian 2303 GMT 25 Dec 91

[Excerpts] Belgrade, 25 Dec (TANJUG)—By a majority, employees of the TANJUG news agency today passed a vote of no confidence in their director, Rista Lazarov, and editor in chief, Mladen Arnautovic. The cause of the referendum was dissatisfaction with the editorial and management policy of the Yugoslav news agency. [passage omitted]

The referendum does not have any legal status, but it is believed that it might have a strong moral impact on future changes in TANJUG. The employees of the agency expect that greater independence from the state and stricter observance of professional rules of journalism will increase the chance of survival both on the domestic and foreign market.

Industrial Production Drops 27.3 Percent in Nov

LD2612103291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1015 GMT 25 Dec 91

[Text] Belgrade, 25 Dec (TANJUG)—Compared with the same month last year, industrial production in Yugoslavia for November dropped by 27.3 percent, the Federal Statistics Institute has announced.

The drop for the 11 months of this year is 19.8 percent.

Compared with last year, in the January-November period production in Slovenia dropped by 11.9 percent, in Montenegro by 13.9 percent, in Macedonia by 17.3 percent, in Serbia by 17.6 percent, in Bosnia-Hercegovina by 24.6 percent, in Croatia by 27.7 percent, in Serbia proper by 18.9 percent, in Vojvodina by 13.7 percent, and in Kosovo and Metohija by 21.7 percent.

Looking at branches of industry, the biggest drop in the period under review was recorded in coal production—a drop of 46.6 percent, while the smallest drop was recorded in the electrical power industry—by 1.2 percent. Beverage production remained at the same level as last year.

Air Force Successes, Development Discussed

92BA0243C Belgrade NARODNA ARMIJA in Serbo-Croatian 7 Dec 91 pp 6-7

[Interview with Lieutenant General Zvonko Jurjevic, commander of the Yugoslav Air and Air Defense Forces, by S. Nedeljkovic; place and date not given: "Force for Present and Future Times"—first paragraph is NARODNA ARMIJA introduction]

[Text] The Air and Air Defense Forces have complete control over Yugoslavia's entire airspace; since the escalation of the conflict, over 12,000 people have been transported; 68 percent of the total losses of the Air and Air Defense Forces have been in the officer corps; branch focus in the training system; orientation toward first-class multipurpose aircraft.

[Nedeljkovic] Comrade General, in your opinion, what has made the high performance of the Air and Air Defense Forces in the conflicts to date possible, and has that force been used with the full potential and resources that it possesses?

[Jurjevic] The forces of the Air and Air Defense Forces have acted very successfully in the conflicts to date. This was possible because the Air and Air Defense Forces, in terms of concept, personnel, and organization, are designed for the most part as an efficient organization of professional soldiers, splendidly trained and equipped to handle the most complex military equipment known to the world.

The next vital element is the Yugoslav orientation of the members of the Air and Air Defense Forces, which was a regulation in the previous period. Today, that orientation is a result of the professional soldier's attitude toward the state that he defends, while ideological orientation is a matter for his private life. Because of that "shift of consciousness" in the heads of our members under the new conditions of a market economy, it was possible for the Air and Air Defense Forces to keep their general Yugoslav character. With respect to pilots, for example, I can say that we have pilots from the ranks of all of our peoples and nationalities. About 48 percent of the members of the Air and Air Defense Forces are of Serbian nationality, which means that more than 50 percent of our ranks are members of the remaining peoples and nationalities. That has been and has remained the strength and richness of the Air and Air Defense Forces and of the armed forces of the SFRY, for present and some future times.

In the past combat operations, the Air and Air Defense Forces were not utilized with all the available resources and potential, but were involved to the extent that the situation on the battlefield required of us. During the first period, it was mainly reconnaissance and responses to the increasingly more frequent opening of fire from the ground against the aircraft of the Air and Air Defense Forces. With the growth of the conflict, there was also a growth in our support for the Ground Forces and the Naval Forces, but the use of air force units has always been handled selectively. The actions of those units have always been characterized by the use of lethal weaponry that is rather precise, all in order to protect and spare the civilian population as much as possible, and to prevent, as much as possible, the destruction of armed rebels outside military installations. Thanks to such considerations, we have prevented greater destruction in the heart of the Yugoslav area, and succeeded in directing our operations exclusively against installations that the enemy has used for military purposes.

[Nedeljkovic] Some of the JNA [Yugoslav People's Army] units have been transferred from the territories of Slovenia and Croatia. What about protection of the airspace above those territories?

[Jurjevic] Although we have withdrawn completely from the territory of Slovenia, as well as part of the territory of Croatia, we are in full control of the entire airspace over those territories, and there are no other aircraft there except for ours. Certainly, changes in this regard should be expected, depending on how the political situation in Yugoslavia is resolved, but for now we have full control over the entire airspace. Unfortunately, air travel in that part of the airspace has completely died, because even though we gave our consent to free the upper part of the airspace for overflights by civilian aircraft, because Austria is blocking the airspace from the west there are no overflights by civilian aircraft at all above the territories of Slovenia and Croatia. The airports are closed, and complete "air silence" prevails.

As far as misuse of the airspace above Yugoslavia is concerned, there have been several incidents in which it has been violated by the use of agricultural and sport aircraft, but we have prevented most such attempts. Nevertheless, because of the low speeds and altitudes at which such aircraft fly, there is a possibility that someone may pass unobserved, as recently happened in eastern Slavonia and Srem, when several explosive devices were thrown out of agricultural aircraft. Unfortunately, the press devoted more space to that than to the entire Air and Air Defense Forces during its use in the conflicts. Faced with such tactics by the enemy, we have organized ourselves so as to minimize the probability that aircraft that would carry out similar actions will appear in the future. We have destroyed most such aircraft on the ground, but they are still receiving assistance from abroad, and trying to restore their "fleet." To date, we have also acted successfully against them in the air on several occasions.

[Nedeljkovic] How do you assess the performance of the Air and Air Defense Forces in the conflicts to date in Slovenia and Croatia?

[Jurjevic] As I have already emphasized, during the past period the Air and Air Defense Forces, within a limited extent, have carried out all the tasks assigned in the area of their utilization. These were tasks involving combat operations on the ground, at sea, and in the airspace. We also carried out the tasks of conducting reconnaissance, and transporting military equipment and personnel. The national character of the JNA was manifested in all of this, and so we also used our transport capabilities for evacuation of the civilian population, and for the evacuation of certain capital natural resources important for the future of the country and for its technical and technological level.

With respect to refugees and family members, I can say that during this period we have transported about 12,000 people. The aircraft of the Air and Air Defense Forces have been massively utilized in evacuating sick and wounded people. It should be mentioned that most of the wounded were evacuated directly from the battlefield, in which case both the crews and the wounded, in spite of visible Red Cross markings, were very frequently subjected to heavy fire by the enemy. On that occasion we also had certain losses and a large number of injuries. We have helicopter crews that have been shot down several times apiece. During that period, we lost two helicopters, along with their complete crews and the wounded.

With respect to losses, I have to say that they have often been misinterpreted or exaggerated. The losses during this period have been far below the averages that apply in a world framework. A full 60 percent of the combat aircraft lost to date have been the Galeb and Jastreb aircraft, which have already been in the phase of planned gradual withdrawal from our inventory for some time now. It is characteristic of the Air and Air Defense Forces that 68 percent of the total losses have been in the officer corps, while 32 percent of the losses have been soldiers. In our branch of the service, officers are the primary ones. I must emphasize, however, that in the total number of losses of officers, pilots of all ages constitute 50 percent, from assistant corps commanders, through wing commanders, to the youngest pilots. In other words, the entire corps from the Air and Air Defense Forces participated in carrying out combat tasks, not just the pilots for whom this was their only duty. With the information I have stated, I would also like to refute the malicious claims in certain news media, which write that "There are no officers in combat," or that "the soldiers are left to themselves," and so forth.

[Nedeljkovic] At this time, how do you assess the morale of the personnel you are commanding?

[Jurjevic] During this whole time, the morale of the personnel has been at such a level that it would have ensured the completion of much more complex tasks than the ones that we carried out. There has also been attrition in some of our units. In my opinion, it only contributed to purging the Air and Air Defense Forces of unstable personnel, so that today the Air and Air Defense Forces are much stronger, in terms of their overall strength and capability, than they were at the beginning of the conflict.

In comparison with certain other structures, it was easier for the Air and Air Defense Forces to surmount the period when the basic factor in strengthening morale was ideology, so that when it was strong, morale was also strong. As soon as certain changes occurred on the issue of ideology, straying began. We were helped in getting over this by our professional attitude toward our vocation, so that among us, perhaps more than in certain other structures, a factor in strengthening morale was the professional attitude of the personnel of the Air and Air Defense Forces toward their vocation. Of course, we must also add to this patriotism, which was and is an enormous strength that constantly pulls us forward.

[Nedeljkovic] Comrade General, how do you view the development of the Air and Air Defense Forces during the upcoming period?

[Jurjevic] In view of our experiences from use in combat during the past period, many things must be changed in the Air and Air Defense Forces. First of all, the Air and Air Defense Forces must be focused on themselves and their training, and everything else has to be peripheral. That means that pilots, during the upcoming period, should deal primarily with the problems of air combat training, and professional flight training, both theoretical and practical. In short, training should be for the purpose of air combat training. In connection with this, I must emphasize that education in the Air and Air Defense Forces will be set up in such a way that it will be concentrated along branch lines, with fewer training centers and schools, but with several technical subjects within those schools. This means that there will not be an interarmy orientation, but rather a branch one, within the training system; we have already made certain reassignments and changes for this reason.

The further development of the Air and Air Defense Forces will be characterized by modernization of its equipment, primarily aviation equipment. We must try to reduce the number of types of aircraft in our Air and Air Defense Forces, and seek multipurpose aircraft that will be first-class and that will simultaneously be able to be fighters, high-quality fighter-bombers, reconnaissance aircraft, etc. As a result of that, during the upcoming period we would have Air and Air Defense Forces with a noticeably smaller number of aircraft than we have now, but these would have to be modern aircraft, with first-class qualities, and multipurpose. I think that now the most important thing is not whether these will be domestic or imported aircraft—they have to be first-class, and that is a matter of the development of technology, society's attitude toward domestic industry, etc., on which a decision will be made. The domestic aviation industry should not be neglected, since we have a long tradition of producing high-quality aircraft. The only thing that should not be permitted by any means, however, is reducing the overall strength of the Air and Air Defense Forces, and allowing a standstill in its modernization and development.

Lieutenant General Zvonko Jurjevic was born on 1 March 1934 in Slavonski Brod. He has been in the JNA since 1 November 1954. He graduated from the School of Active Air Force Officers, the Air and Air Defense Forces Command Headquarters Academy, and the National Defense School, and his duties in the Air and Air Defense Forces have ranged from pilot, through commander of the Air Force Military Academy, to commander of the Air and Air Defense Forces.

Slovenia

Bucar Marks Adoption of New Consitution

AU2412145391 Ljubljana Radio Slovenia Network in Slovene 1615 GMT 23 Dec 91

[Text] Esteemed House! Permit me to say a few words.

This is not only one of the most important legal acts ever adopted by any of the highest Slovene representative bodies, or a part of these bodies, that historically belonged to other social or state establishments. This document is also one of the most important sociopolitical documents in our entire history. With this document

we are creating the foundations for our own statehood for the first time in our history.

No solemn and enthusiastic language would be excessive in marking this historic milestone in the life of our nation. It is true that we are living in times literally crammed with extremely important events that are overtaking each other and are flowing into one big stream. Due to the enthusiastic, almost emotional overburdening, and the responsibility that can hardly be rationally understood, we are almost incapable of registering the importance of individual peaks in this great fluctuation. We are incessantly given reasons for euphoria and celebration, when we are at the same time walking, courageously on the hazardous edge of social catastrophe. It is impossible to say when exactly we stood at the highest peak on our way across these mountains of time, but we can without doubt point to some of these peaks.

The elections in spring 1990 were more important than was apparent at first glance. They represented a decisive and final departure from the real socialist [realsocialisticni] political system before this very same system collapsed in East Europe, that is to say, around the world. This is an achievement we can be particularly proud of before all of Europe.

A year ago we opted for an independent state in a plebiscite. This was then followed by a slow, difficult and fanatic process of liberation from the normative structure of Yugoslavia. This process reached its zenith with the Basic Constitutional Charter on Autonomy and Independence of the Republic of Slovenia, which we immediately had to realize with the victorious defensive war against the forces of the bolshevik remnants within Yugoslavia.

The victory in this war represented the psychological peak of our national confidence. We proved to ourselves that we are capable of being a nation, and by proving this, we became one. Although this was an external act of our decisiveness to be an independent entity in the community of other nations, its greatest significance was that it reflected our internal maturity. By this we finally proved to the world that we are mature.

A clearly demonstrated maturity of a society is, of course, naturally followed immediately by the need for others to accept this society as one of its members. The world does not recognize voids, whether they be physical, social, or spiritual. The world is always completely filled. The appearance of Slovenia as an independent state clashed with the international structure that was already filled with the institutions of the existing national states and with the international interests. Not only were we a newcomer, we were also a disturbing factor which dangerously threatened the existing European structure, which —despite the proclamation of its international solidarity and creation of the international structures—is essentially still based on the ideology of a national state and the balance of the superpowers.

When this ideology was gaining ground in Europe, it did not envisage for Slovenes a place as a free and independent nation that would have the right to be an independent state. When we suddenly appeared as an autonomous new state, by our mere appearance we were confronted with a structure in which there was no place for the independence of nations not historically recognized, which is what we were considered all along. Not only this, our statehood posed a potentially bad example to all those in Europe who were condemned to submission and assimilation. That is why we were sentenced to go back where we have broken away from with so much effort—back to Yugoslavia, which, true enough, should be thoroughly reconstructed, but would nevertheless still be Yugoslavia.

The first attempt to sober us up was the moratorium imposed by the Brioni Declaration. When this was insufficient, they tried with The Hague Conference. Finally, we found ourselves in the mill of the superpowers, which were, just like in the past, fighting for their spheres of interest. Well, we luckily escaped from this measuring of powers to the land of partial international recognition. Of course not only by luck, which is a necessary element of every adventure of this type, but also with our consistent, well-considered politics, and primarily with politics based on the principles of the historic concept destined to shape the image of the new Europe—the community of equal and independent nations that will cooperate on the basis of mutual recognition and respect mutual coordination of interests at all levels of life—at the national and international levels as well as in the direct contacts of organizations and individuals.

Because of all this, the community cannot agree to uncrossable borders. The first countries have already recognized us, everything else is, in my opinion, only a matter of time.

With the new Constitution we are entering the grand finale of this process [of gaining independence]. The adoption of the Constitution represents the conclusion of this process. This is actually the first constitution in our history. The constitutions of the states in which we were incorporated in the past were not our constitutions. This applies also to the former constitutions of the Socialist Republic of Slovenia, as they were essentially only the statutes granting Slovenia relative autonomy within another state which retained the right to decide on all matters of the greatest importance to us. The statehood based on our own Constitution is a pass that will identify us as an independent actor in international relations and which will create the possibility for us to independently decide about our own affairs.

From such a point of departure we are not setting into the world of illusions. Together with the development, the world is becoming increasingly more integrated. Mutual dependencies are so great that independence of action is becoming increasingly more restricted and dependent on the actions of others. On the other hand,

change in any of the important parts of this system results in changes in all other parts. The freedom of autonomous action is becoming narrower, dependence on others greater. Could it be then that we are gaining our freedom with such delay that the objective conditions for freedom have changed so much in the meantime that the freedom is simply no longer possible? We are achieving our own state in the time when the era of national states is coming to an end, disregarding the dilemma as to whether everyone, especially those directly effected by it, actually perceives it like this and acts accordingly. Like many times in history before, the understanding of the world events is usually more or less late in comparison to the actual state of affairs. This is also one of the characteristics of modern Europe. In order to take part in the historic flow of current world events, we must come to terms with this dependency and, therefore, also the limits to our actions. Interdependence is increasing with development, and we want to remain, that is to say, return back into the civilized and culturally developed European community. Life in this increasing dependency is therefore something we cannot avoid. The dependency, esteemed deputies, of course does not mean a negation of freedom. It is a negation of absolute freedom. We are not asking for absolute freedom with our statehood, regardless of the fact that we cannot create one and that we do not need one. We will in no case, however, renounce the absolute right to decide independently on our own matters, to decide independently what are our interests, and to independently choose the manner in which we will realize our interests. Speaking of our interests, matters have moved decisively toward the direction in which more and more of our interests can be realized only in cooperation with others, and increasingly so at the international level. This is only taking into consideration the objective circumstances that must be observed by everyone aspiring to make rational decisions. Decision-making in the circumstances of increased complexity demands a higher level of rationality, which can be achieved by dispersing the decisionmaking as much as possible because this burden is too demanding for the capabilities of any individual. Democracy, and reliance on the capabilities of each individual—which form the basis of this [Slovene] Constitution—are, therefore, not only political decorations but necessary for our survival. No matter how much the circumstances change and how harsh the demands for adoption to the new situation in the world might be, the basic point of departure will always remain the same. We must have a chance and the capability to make independent decisions. In international relations only our own statehood can create this chance. No matter how deeply we are aware of the decomposition of state sovereignty, of the need for different state and interstate structures, an uncontested fact remains that only our own state can provide us with our own identity and the realization of our free will. The state, just like any other social organization, is primarily a network of normative regulations determining the relations between its members and its relations with others. A state does not exist without regulations, and a constitution is a basic regulation of the state. All these regulations can be present in the conscience of its members. The higher the society's level of development, and therefore its complexity, the more demanding these regulations become. The need for these regulations to be expertly formulated also increases.

With this Constitution we are joining the circle of free and formally independent states with a social structure that will enable us to cooperate at the highest levels of economic, societal, and cultural development.

Finally, although we had established that we are ending with this Constitution the circle of activities which led us to independent statehood, we must also conclude that this end is putting us at the beginning of an entirely new path we have never walked before. We never lived in an entirely free state of our own before. Are we capable of being free and living in a world which is fundamentally changing as well? We are setting off into a world where all options are wide open and where everything will be different. The challenge is great and our response to it will have to be entirely original. [applause]

Ruling Coalition 'No Longer Exists' 30 Dec

LD3012231891 Belgrade TANJUG Domestic Service in Serbo-Croatian 2118 GMT 30 Dec 91

[Text] Ljubljana, 30 Dec (TANJUG)—The Slovene ruling coalition, Demos, no longer exists as of this evening, and soon elections will be held ahead of schedule, most probably in April or May next year. This was decided at a session of the council of Demos in Dole pri Litiji. The meeting was attended by the leaders of the six coalition partners: the Slovene Christian Democrats, the Social-Democratic Party of Slovenia, the Greens of Slovenia, the Slovene Peasants' Union-National Party, the Slovene Democratic Alliance-National Democratic Party, and the Liberal Party, and representatives of the Democratic Party also joined them.

After a three hour-long discussion behind closed doors on the proposal to disband Demos, the party leaders continued the council session as "a meeting of friendly parties" who no longer have anything in common.

The most powerful blow to Demos was administered just over two months ago, when within the Slovene Democratic Alliance differences came to the fore between its chairman, Dr Dimitrij Rupel, and one of the leaders of the party, Dr Rajko Pirnat, and two parties came into being: Pirnat's Slovene Democratic Alliance-National Democratic Party, and the Democratic Party of Rupel and Igor Bavcar, which did not want to agree to Demos' current program. In this way Demos lost the majority in the Assembly, and this to a large extent shook the increasingly besieged government of Lojze Peterle.

At the meeting in Dole pri Litiji, the Liberal Party proposed a renewal, in other words a partial revision of the coalition agreement, but for the other coalition partners this was not acceptable. Hence there was more

discussion of the partial reconstruction of Peterle's government, which will be essential before the heralded early elections. It has been learned that the reconstruction of the Slovene government could be restricted to small-scale cadre changes—the replacement of Dr Katja Boh, minister of health, while Dr Rupel would continue to stay on as minister of foreign affairs.

Non-Slovenes Submit Applications for Citizenship

LD2512094591 Belgrade TANJUG in English 0909 GMT 25 Dec 91

[Text] Ljubljana, Dec 25 (TANJUG)—Slovenian citizenship has been sought by some 140,000 persons out of the officially estimated total of 290,000 people from other parts of Yugoslavia who live in this Yugoslav republic.

The deadline for application was Sunday [21 December].

All persons permanently resident in Slovenia who do not accept its citizenship will in future be treated as foreigners, and will be restricted in regard to employment opportunities and political activities, the competent services said.

Slovenians voted at a plebiscite in favour of seceding from Yugoslavia, and have confirmed this by their demand for non-Slovenians to take Slovenian citizenship. Slovenia is one of those Yugoslav republics which have applied in The Hague for international recognition as independent states.

Most of the applications for Slovenian citizenship were submitted by ethnic Albanians, and the fewest by Montenegrins.

Some 45,000 citizenships have already been granted, and all applications are to be processed by February 25 next year.

Minister Osterc on Planning Agricultural Policy

92BA0217B Ljubljana DELO in Slovene 26 Nov 91 p 3

[Article by Marjeta Sostaric: "Has Agriculture Been Spoiled?"—first paragraph is DELO introduction]

[Text] Dr. Marko Kranjec thinks that agriculture has become accustomed to subsidies and is now demanding more than it can obtain; according to Dr. Osterc, protection of domestic production is necessary.

Bled, 25 Nov—In planning agricultural policy, Slovenia has to take into account the trends in European agricultural policy and European experiences. We should not, however, uncritically adopt them here. This was stated, among other things, by Dr. Joze Osterc, the minister of agriculture, at a conference of the advisory service on the developmental and market possibilities of Slovene agriculture.

During his presentation on the strategy for agricultural development, of which "one can only speak when agricultural policy goals have been thought out, since the purpose of agriculture is fundamentally broader than the mere production of food," agricultural promoters, cooperative directors, and in general, all the people from all parts of Slovenia who participated in the two-day technical conference (which was prepared by the Republic Administration for the Promotion of Agriculture), heard a very detailed presentation on the outlined guidelines for development. The basic goals of agricultural policy are actually threefold and simultaneous: economic, social, and environmental. The production of healthy food in sufficient quantities and at available prices is nevertheless the central one, along with the preservation of arable land and its productivity and high-quality production for export.

That kind of farming is more expensive, and state interventions are necessary. In spite of the planned regionalization of production, through which, for instance, milk production would be avoided on land where pig fodder and wheat could be produced—we are at the tail end of European states in the production of agricultural crops, whereas we are right at the top in terms of the ratio of cattle raising in agricultural production—in the future our food production will also be relatively more expensive than production in other European states. Minister Osterc, to be sure, emphasizes that in principle, agriculture's economic problems should be solved through the free operation of the market. Nevertheless, just as other states try to alleviate the oscillations in agricultural incomes through various forms of intervention, the Slovene state should try to alleviate them as well. "Consequently, it is not possible to ensure regular supplies with a policy of low prices or even at the level of dumping prices. If we want to keep settled and cultivated land and sufficient quantities of food of suitable quality, we have to guarantee our farmers—the kind we do have—an appropriate income for average productivity. That is possible primarily through appropriate prices." At the same time, the minister also emphasized that he intended to provide appropriate protection for domestic production, also with suitably high import tariffs, while also taking into account shifts in domestic supply and demand and shifts in foreign markets.

The minister's presentation on the strategy for the development of agriculture did not satisfy Dr. Marko Kranjec, deputy governor of the Bank of Slovenia. In his own report, in any case, he described the role of public financing in the development of our agriculture. He did not reject the support "which agriculture needs and did have in the past, but which was incorrectly allocated." Most of the state money was received by socialized farms and the socialized sector of production and processing. Nevertheless, the demands that have been made recently, Dr. Kranjec stated, exceed all possibilities. In this regard, he criticized agriculture for having become accustomed to state subsidies, and now wanting more than we can even allocate for it. They would like to have

everything at once, he stated—a market, and subsidies. It is true that there is no state that would give up agriculture, but there is also no state that could ignore macroeconomic principles. "Personally, I am not prepared to spend my whole life eating bread made from expensive domestic wheat, and meat that is more expensive than imported meat," he said, and pointed out that processing and trade are the principal culprits behind the present high prices, but that in part, agriculture itself is also contributing to this. He criticized the state for not taking appropriate steps and not breaking up the monopolies that are still particularly strong in the processing industry and in trade. "I simply cannot understand why the government has not already done something in this area."

In his opinion, it would be necessary to shift from general strategic goals to a quantified medium-term and long-term development strategy. He emphasized that there was virtually no tax burden on agriculture, and that in his opinion, it was not politically possible to increase farmers' tax burden now. Furthermore, the benefits in the area of training and education (in which he supports the agriculture minister) can be considerably greater than from financial support in stable areas. In the second place, we have too many farmers, even though they do not like to hear that; we have mixed farms that pollute the environment less than the monopolistic farms—of course, it will be necessary to have a certain concentration of production, and that will happen. By no means, however, can we accept the fact that our food production will be expensive. Agriculture, he said, deserves interventions, but they should be measured out to a reasonable extent, "and in the past year I have not seen that reasonable extent."

Ministry Drafts 1992 Social, Economic Plans

92BA0217A Ljubljana DELO in Slovene
26 Nov 91 p 3

[Article by Ilja Popit: "The Slovene Government Will Offer a Social Agreement to the Trade Unions and the Slovene Economic Chamber"]

[Text] Ljubljana, 25 Nov—Although this year former Finance Secretary Kranjec moved the beginning of the budget year to April, the period before New Year's is still the period for drafting plans for next year. Thus, a few days ago the Slovene Planning Ministry prepared a draft program for Slovenia's economic and social policy for 1992. They expect that at the end of March the Executive Council, on the basis of these starting points, will prepare development programs and policies for those areas that are essential for achieving the people's development goals. An integral part of the plan is also a schedule (a timetable) for the preparation of Slovenia's economic independence.

The planners reviewed the five main programs, from the independence plan to the social one, and determined that most of the strategic development orientations were still current. They also acknowledged that the economic results this year were substantially worse than had been foreseen when the program was adopted at the beginning of this year.

Enumerating the reforms that are essential for the transition to a market economy, they noted that transformation of the ownership of socialized enterprises is a fundamental condition for this. Through the draft law on privatization, about 58 percent of the economy's present social capital should be privatized in two years. The Executive Council will encourage the establishment of investment and mutual funds that will obtain shares in enterprises. Ownership rights in the mutual funds will be distributed for free among the citizens of Slovenia. Shares will also be received by the pension fund, and some of them will distributed for free to the employees of socialized enterprises.

Another essential task for the transition to a market economy is improvement of the banking system.

The Executive Council will propose a program for restoring the health of the banking system by the end of this year. Citizens' foreign exchange savings will also be regulated within the framework of financial rehabilitation of the banks. Since there is a shortage of foreign exchange, they are proposing a limitation and the transfer of obligations to the Republic of Slovenia as public debt. The state will issue the banks bonds, transferable to the depositors, and denominated in a foreign currency. The depositors will also be able to use them to arrange the purchase price for the privatization of socially owned apartments and social capital.

Rehabilitation of the Losers

He also associated improvement of the banking system with the financial rehabilitation of the losers that could be successful if their bad debts to commercial banks were written off, and if they were restructured or privatized. The Executive Council will form a favorable environment for the restructuring of enterprises. With money from the budget, the Executive Council will contribute part for those development and rehabilitation programs in which the republic is participating, i.e., in restructuring ferrous and nonferrous metallurgy, in closing the mines in Idrija and Mezica, the Karanik [word indistinct] mine, and reorienting part of the Slovene defense industry.

The transition to a market economy also requires regulating the relationships among owners, workers, and the state. Following the model of the solutions that have proven to be the best in developed states, the Executive Council will propose legislation that will regulate the operation of the market, financial institutions, enterprises, and joint management by workers. In order to reduce inflation with the least possible interference with economic vitality and with employment and social stability, the Executive Council will propose the conclusion

of a special social agreement to those trade unions which are representative and to the Slovene Economic Chamber.

The agreement would set the rules for mutually agreed-upon changes in wages and those prices which are controlled by state authorities, i.e., prices for the services of the economic infrastructure and the prices of certain basic everyday necessities. The rules would set an upper limit for possible increases in prices and wages for individual months. This would be done in such a way as to have their growth lag by a certain amount behind the growth of everyday necessities, except for the prices of oil products. The agreement would be concluded for six months, and could be extended further if all three parties agree.

In order to ensure the fundamental elements of social security, the Executive Council will take up changes in this area, the satisfaction of common needs, and the entire public sphere. In health care, employment, and security for the handicapped and retirees, some of the payments will be made by means of insurance. It will also change the method and the proportions in the payment of employees in the public sphere; this will also make wages more uniform.

Membership in International Organizations

The planners then list Slovenia's goals with respect to becoming a member of international organizations, from the UN on down. Membership in the EC, both associate membership and later permanent membership, is a long-term goal. The Executive Council will strive to conclude trade and other agreements with our principal trading partners. Through inheritance of Yugoslavia's gains, it will try to preserve most-favored-nation status, and acquire full membership in GATT [General Agreement on Tariffs and Trade].

The Executive Council will encourage direct foreign investments here, by helping to create an attractive investment climate and treating foreign and domestic investors equally.

In enumerating what the freeing up of foreign trade will include, they note without discussion that the republic will be able to meet its obligations to foreign creditors regularly. The Planning Ministry then also touches upon cooperation with the other Yugoslav republics. Slovenia will try to preserve the level of economic cooperation with this area that has been attained, and will advocate the conclusion of an agreement on forming a free trade zone. During the transitional period, the supply of raw materials and food is to be made possible by exchanging goods for goods (barter). Trade will then proceed through commodity lists and payments through the medium of nonresidential accounts. Those accounts are to be opened primarily by commercial banks and those large enterprises which have a surplus of claims that is less than 10 percent of the monthly volume of turnover through that account.

Restrictive Monetary Policy

The Bank of Slovenia will conduct a restrictive monetary policy. The exchange rate for the tolar will be a sliding one, and will be continually adjusted in light of the balance of payments; it will also be adjusted to the dinar's exchange rate.

Next year (1992), the Executive Council will conduct a policy of balancing the budget. Budgetary policy in the republic and the opstinas will be adjusted to the lowered real social product. The limitations on budget subsidies will be such as to achieve the greatest social effects.

Next year it will be necessary to secure about $300 million to pay the public debt that Slovenia is taking over as its part of the federation's debt. These payments will take priority for the money collected from the sale of social property.

Tax rates on enterprises' profits are to be lowered from 40 to 30 percent, even before the accounts for this year. Investment incentives are to be increased from 10 to 20 percent of the tax base, and the period for which that reserve will not be included in taxation is to be extended from two to four years. Tax benefits for employment will also be expanded. Taxes on the sale of goods and services are to be reduced to the levels in neighboring states.

The prices of most products and services are to be set freely, and the Executive Council will handle major deviations from this by law. It is soon to pass a law on the protection of competition and the prevention of monopolistic behavior.

Protective Prices for Crops

If necessary, the Executive Council will intervene with monetary compensation for wheat, rape seed, and milk. Protective prices will be set for wheat, rape seed, sugar beets, veal calves, fattened hogs, and milk. Market reserves will be used to ensure an uninterrupted supply of basic goods, medicines, and oil derivatives.

The state's share in settling monetary obligations for excess workers will increase. In order to regulate the labor market, they will adopt protective measures and new rules on labor migrations, which will be enforced by issuing work permits. Through its social policy, the state will take care of alleviating those influences that would reduce social security. A possibility for regulated privatization in health care and social security will be provided.

For employees in the public sector, they will reverify the justification of the number and composition of employees to date. The planners expect the number of employees being paid with public money to be reduced.

Croatia

Tudjman Sees Army Attacks as 'Final Fling'

LD2912220591 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 29 Dec 91

[Text] Dr. Franjo Tudjman, president of the Republic of Croatia, this evening received and had a lengthy conversation with editors and commentators of leading Croatian newspapers, radio and television stations. The conversation covered almost all political, military, diplomatic, and economic issues of importance for the current situation in Croatia and for the future fate of the republic as well as the issue of intranational relations in Croatia and with the republics of former Yugoslavia.

In the course of the conversation, President Tudjman expressed his belief that the army of aggression and occupation has intensified its attacks on Croatian territory as its final fling and that the Army is incapable of dealing a decisive blow.

In reply to many questions put by the most prominent Croatian media commentators, President Tudjman stressed that despite the war which is still raging throughout Croatia and is now threatening Bosnia-Hercegovina, a particular kind of Scandinavization must take place in these southern Slav areas.

On future relations between Croatia and Serbia—whatever form Serbia assumes—Tudjman stressed that, as these are two completely different worlds but destined to exist next to each other, the only possible solution is their complete separation and disengagement in order to eliminate all possible causes of any future misunderstandings.

Tudjman Christmas Greeting Seeks Freedom

LD2512125191 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 24 Dec 91

[Text] Dr. Franjo Tudjman, president of the Republic of Croatia, has sent out a Christmas greetings message which says:

Throughout the whole of the past year we have lived in expectation of the birth of a sovereign, autonomous, and independent Croatia. We have been expecting that finally we might be bathed in the intense light of Croatian freedom, and we have been expecting and are still expecting peace. And as a special, historical Christmas present, Croatia is today accepting the merciful gift—one which has been acquired with difficulty—the international and legal recognition of its state independence. The Croatian nation which during its 1,000-year history has for a long time been living in the dark region of repression is today illuminated with the hope of a guaranteed future.

Hence we are celebrating Christmas this year as a holiday of great light, first and foremost that which brings the birth of Christ, but also one which strengthens our faith in the Croatian victory of light over darkness. All the casualties and all the agony which we have suffered, crucified by a bloody war in the defense of our homeland, unites us in the realization that our strength is accompanied by the unity of the whole of the Croatian nation, its full reciprocity and solidarity, but also its reconciliation and forgiveness. The sanctity of our casualties heralds the freedom which is emerging, equality, and the full implementation of human rights for our Croatian nation and for all members of other nationalities who live with us in this sacred Croatian bosom.

May this Christmas signify the end of the war and suffering and the beginning of peace and a new life, especially for the defenders of the homeland and of freedom, for those who have lost their nearest and dearest and for those who have been left without their homes. Christmas greetings, in which we take joy from the birth of Jesus and from the birth of Croatian independence, to everyone, the Christmas greetings message from Dr. Franjo Tudjman says in conclusion.

Assembly Endorses Property Takeover Decree

LD2812222491 Belgrade TANJUG Domestic Service in Serbo-Croatian 2024 GMT 28 Dec 91

[Text] Zagreb, 28 Dec (TANJUG)—The Assembly of the Republic of Croatia today endorsed a Croatian Government decree by which all socially owned property in the possession of bodies and institutions of "the former federation" are to be taken over by the Republic of Croatia.

According to the new decree, the Croatian Government is to distribute the property to relevant ministries whose jurisdiction now covers bodies and institutions of "the former SFRY".

Although similar decisions have already been adopted, such as a decree on the take-over of facilities of the Yugoslav People's Army and the Federal Secretariat for National Defense on the territory of this republic, a considerable part of the property, as it was explained today, "has not been taken over by the Republic of Croatia". That is property which is used by certain federal bodies through their organizational units in the Republic of Croatia.

This decree has already been published in NARODNE NOVINE and is already in force.

Foreign Ministry Asks For Recognition of Passports

LD2412182291 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 24 Dec 91

[Text] The Croatian Foreign Affairs Ministry has sent a sample of the Croatian passport to a majority of countries asking them to recognize it. On the basis of [word indistinct] and verbal agreements, and on the basis of the experience of Croatian citizens who have used the Croatian passport to travel, the Foreign Affairs Ministry

announces that Germany is recognizing the passport as an identity card and is issuing travel papers at border crossings. An agreement on the recognition of passports and abolishing visas is currently being negotiated. France is recognizing the passport and is issuing visas at border crossings. The Republic of Hungary, the Czechoslovak Federal Republic, the Republic of Poland, Austria, and Switzerland, which will introduce visas as of 1 January, are recognizing the passport. While we are reporting this, Italy has not made a decision whether to recognize the Croatian passport, but some citizens traveling on Croatian passports entered the country while others were turned back, which shows that Italy does not have a clear stand on this issue.

The Foreign Affairs Ministry therefore advises citizens traveling abroad to take with the the old [SFRY] passport until the Croatian passport is recognized by all countries. The Foreign Affairs Ministry will regularly inform the public about new agreements to recognize the Croatian passport.

Army Denies Reports of Betraying W. Slavonia

LD2712182991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1551 GMT 27 Dec 91

[Text] Banja Luka, 27 Dec (TANJUG)—The Banja Luka Corps today issued a statement vigorously denying the claim that the Army has betrayed the people of western Slavonia and that the Banja Luka Corps has ordered mass emigration of the residents of that area.

The statement says the Banja Luka Corps has an entirely different area of responsibility and that it has done everything in its power to equip the territorial defense units of western Slavonia. Television viewers can see how some Corps units and equipment have been sent to that area. The Corps also provided aid for refugees from that area, the statement goes on to say. The Banja Luka Corps notes that the exodus of the population from western Slavonia is of an entirely different nature—it has been encouraged by enemy propaganda and by propaganda from some extremist political forces.

The Banja Luka Corps at the same time informs the public that it is firmly holding its positions and that it is trying to stabilize the western Slavonia area and not allow it to fall into enemy hands. The Corps is appealing to all territorial defense members from western Slavonia to come to the Kozara barracks in Banja Luka to be deployed in the Army units that will control the area they themselves used to hold.

Belgrade Says Forces in W. Slavonia 'Scattered'

AU2912160691 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 29 Dec 91

[Branislav Bozic report]

[Text] It was today that the results of yesterday's precise and sharp counterattack by the Yugoslav People's Army [JNA] in Western Slavonia became apparent. With this counterattack, an offensive of the Croatian formations that lasted for several days was stopped.

As we have already reported, the (?heavy) infantry forces, extensively supported by the artillery, have scattered the core of the Croatian Guard between Pakrac and Daruvar. Witnesses say their losses can be measured in hundreds of dead and wounded. Realizing that the offensive on this part of the front failed completely, they have been trying to transfer the fighting to the opposite side—west of Nova Gradiska—since this morning. However, their surprise was not successful, and now they will probably ask for yet another cease-fire because their losses are so great—perhaps the greatest since the beginning of the war on these battlefield—that it will be hard for them to recover. It is probably for this reason that the Croatian radio is broadcasting a kind of report on 68 dead in Masicka Sagolja. They are offering a sort of list, but this is only another propaganda trick. They have collected the dead in this region, practically from the beginning of the war, and now they are making their list public. They have constructed the list from the dead JNA fighters, the Seselj's radicals, [members of the Serbian Radical Party] and civilians. They claim all these deaths occurred during the previous days but, of course, there is no chance of this being true. Actually, by broadcasting this they are trying to raise the moral of their units, which are withdrawing in disarray near Pakrac.

An earlier agreed exchange of the prisoners of war was supposed to take place near Novska today, but this did not take place because the Croatian side changed the location of exchange and the conditions several times during the night. This is only further proof that they have nothing else but arrogance and lies.

Liberation of 'Chetnik' Strongholds Reported

LD2712223191 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 27 Dec 91

[Ana Mudric report]

[Text] Croatian forces have had a successful day on the Pakrac front again today. After heavy fighting with Serbo-terrorist forces and the forces of the occupying army they liberated more enemy strongholds which for several months were used by the aggressor to attack Pakrac, Lipik, and the surrounding area. Our forces relied on strong artillery and infantry attacks to drive the enemy out of Japaga, Seovica, Kraguj, Donji Cavlici, and Gavrinci—locations that the aggressor used to threaten the defenders of Pakrac, Prekopakra, Filipovac, and Lipik. The success was achieved despite the enemy's armed resistance and the Air Force presence whose aircraft today targeted the village of Kusonje which was liberated yesterday. Fighting continues in part of Kusonje with remaning Chetnik groups. It was quiet today in Bucje, the Serbian terrorists' main stronghold in

the area that was also liberated yesterday and from where Chetnik forces have been completely driven out.

Military Leaders Pay Visit to Sinj Area

LD2812204291 Zagreb Radio Croatia Network in Serbo-Croatian 1930 GMT 28 Dec 91

[Text] Defense Minister Gojko Susak, Army Corps General Martin Spegelj, and Admiral Sveto Letica have been visiting the Sinj area. They inspected the frontline and made a positive assessment of the organization and readiness of the men there successfully to conduct all military activities. They also discussed the Peruca hydroelectric power plant. Minister Gojko Susak believes that under pressure from the international community the [Yugoslav People's] Army [JNA] threat to blow up the dam will cease, while General Spegelj stressed that the JNA, feeling powerless in face of the Croatian Army, is increasingly resorting to threats of the Peruca type. But his conviction is that this will not last for much longer.

Krajina Leader Urges UN Role in Federation

LD2812190791 Belgrade TANJUG in English 1752 GMT 28 Dec 91

[Text] Knin, Dec 28 (TANJUG)—President of the Republic of Serbian Krajina Milan Babic called today for Yugoslavia's crisis to be resolved through the United Nations, assessing that the European Community (E.C.) mission, originally set up to extend impartial offices, had now become one of dictating solutions from the positions of economic power and even military pressure.

Speaking at a news conference in Knin, the centre of the republic proclaimed by majority Serbs on December 19 in southern and eastern parts of Croatia, Babic reiterated that U.N. peacekeeping troops might be sited only along the demarcation line dividing the conflicting sides. He rejected every thought of the possible demilitarization of Krajina's space.

As for a declaration the Assembly of Serbia adopted last night about an inalienable right of Serbs to self-determination, Babic voiced content 'although we have expected recognition.'

The declaration, said Babic, clearly proved that the Serbian Assembly had upheld self-determination and the institutional framework through which the Serbian people in Krajina had formed their republic.

He singled out two stands from the declaration: First, the Serbian people's being entitled to exercise all its rights in its ethnic territories, in what it would be supported for these rights to be materialized, and, secondly, the formation of the Republic of "Serbian Krajina is a defensive move by Serbian people towards the preservation of its biological survival, national and historical rights."

Babic: Krajina Plans To Recognize Slovenia

LD2812161691 Belgrade TANJUG in English 1508 GMT 28 Dec 91

[Text] Belgrade, Dec 28 (TANJUG)—President of the Republic of Serbian Krajina Milan Babic has said his republic will recognize the Yugoslav Republic of Slovenia, and there is no reason not to recognize also Croatia, but only after the question of borders is definitely resolved.

"The Republic of Serbian Krajina covers the area which absolutely coincides with the ethnic and historical right of the Serb people in that territory," Babic said in an interview, published in the Belgrade daily VECERNJE NOVOSTI today.

Serbs in Croatia's predominantly Serb-populated parts recently proclaimed the Republic of Serbian Krajina in an effort to oppose Croatia's secession and express their wish to remain in Yugoslavia.

Babic said the borders of the Republic of Serbian Krajina were "defined by the Serb people's will expressed in several referendums."

"All those who want to leave Serbian Krajina for Croatia should be allowed to do so, and vice versa," Babic set out, adding that it was necessary for "both states to guarantee civil and human rights."

The Constitution of the Republic of Serbian Krajina stipulates that the "members of the Croatian or any other people in parts where they account for over eight percent of the population should enjoy the right to use their own script and language," Babic said.

Krajina Republic Consolidates Defense System

LD2612221191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1949 GMT 26 Dec 91

[Text] Dvor na Uni, 26 Dec (TANJUG)—The information service of the Yugoslav People's Army [JNA] operations group for Banija and Kordun announced this evening that the organizational and material consolidation of the defense system of the Serbian Krajina Republic, as well as the consolidation of the JNA units and the territorial defense continued in this part of the territory.

It was also announced that representatives of the UN's "Blue Helmets" had talks with the organs of power and the JNA in Vojnic, Glina, and Petrinja, at which the involvement of the world organization was discussed.

The communique stresses that—despite the initiative of the operations group command for a comlete cease-fire during the Catholic Christmas—"Ustasha formations in the zone of the Sisak and Banija crisis headquarters carried out a cruel and utterly ineffective fire attack on positions of the JNA and territorial defense members." This coincided with midnight mass on the night of 24-25 December.

Krajina 'Defenders' Resume Control of Village

AU2712172691 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 27 Dec 91

[Danko Peric report from Knin]

[Excerpts] Krajina defenders are again in control of the village of Cista Mala near Sibenik, from which they had earlier withdrawn to auxiliary positions. After about 20 hours there, they were back to the positions they had occupied at the end of last summer.

Last night there were some armed conflicts near the nearby village of (?Morpolaca), which was attacked from the hamlet of (?Klarici) which is near the Croat Army stronghold of Stankovci. [passage omitted]

The Serbian village of Velika Glava was under attack until late last night. There is a lull there today, probably because of the EC mission observers' group visiting the positions of the Croatian paramilitary forces in the part of Velika Glava that has not been liberated.

There has been a lull on the Lika front near Gospic last night and today. [passage omitted]

Serbia

Assembly President Urges Democratic Settlement

LD2712150391 Belgrade TANJUG in English 1231 GMT 27 Dec 91

[Text] Belgrade, December 27 (TANJUG)—The Yugoslav Republic of Serbia urges a peaceful, democratic, and civilized settlement of the Yugoslav crisis, without armed conflicts and with full respect of the freely expressed will of all Yugoslav peoples to live, or not, in a common state, President of the Serbian Parliament Aleksandar Bakocevic said during talks with U.S. Congressman Jimmy Moody on Friday [27 December].

Bakocevic informed Moody, who is currently on a several-day visit to Serbia, about the composition of the republican multiparty parliament, its work over the past year and activities relating to the armed conflicts on the territory of the Republic of Croatia.

After meeting with Serbian President Slobodan Milosevic, Moody visited the Serbian parliament on Thursday [26 December] and, addressing the deputies in the Serbian language, expressed hope that a solution would soon be found for the war in Yugoslavia.

roat, Slovene Goods

LD2612165591 Belgrade TANJUG in English 2144 GMT 25 Dec 91

[Text] Belgrade, December 25 (TANJUG)—The parliament of the Yugoslav Republic of Serbia today decided to introduce taxes on goods from the two secessionist Yugoslav republics of Croatia and Slovenia. From now on, goods from these two republics will be taxed just like all other imported goods.

The parliament said the measure was reciprocal to the customs dues introduced by Slovenia and Croatia on goods from Serbia, adding the measure does not ban imports from the two northwestern republics.

The Serbian parliament also decided not to introduce customs dues on goods from parts of Croatia with a predominantly Serbian population which last week declared a republic and do not wish to secede from Yugoslavia.

Assembly Adopts Draft Budget for 1992

LD2612222391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1742 GMT 26 Dec 91

[Excerpts] Belgrade, 26 Dec (TANJUG)—The Serbian Assembly today adopted in principle the draft law on the republican budget for 1992 which envisages government expenditure of about 495.94 billion dinars. This is 153.3 percent more than the amount of this year's budget.

In the expose of the draft law submitted by Jovan Zebic, government vice president and minister of finance, it was stressed that this was the first time for several years that the budget resources for the functioning of the state were being determined jointly for the whole territory of Serbia, thereby abolishing the previous three parallel financial sub-systems. An important new feature is that the financing of all public needs, including the classic state functions, incentives for the development of the economy, and certain social activities, excluding health, pensions, and unemployment, will be carried out from taxation, that is from the budget. This means an end to financing of public expenditure from nonbudgetary sources and the abolition of some 2,000 funds.

According to Zebic, the stability of the budget is ensured by allowing for inflation at 10 percent per month in the planned figure calculated, with a growth in pay of eight percent monthly. [passage omitted]

A sum of 185 billion dinars, or 37 percent of total resources, will be allocated for financing the work of the state organs, including defense, the ministries, and judicial organs. A quarter of the budget will be spent on the salaries of some 69,000 employees in the state administration, and the same amount is envisaged for stimulating the development of the economy. Funds will also be allocated from the budget for the financing of the Federation, and a transfer of 4 billion dinars will be made for the provinces and 1.5 billion for the municipalities and the city of Belgrade. [passage omitted]

Renewal Movement Supports Peacekeeping Forces

LD2512050891 Belgrade TANJUG in English 1536 GMT 24 Dec 91

[Text] Belgrade, December 24 (TANJUG)—The killing must stop without further delay, and all cease-fire violations must be legally defined as war crimes of the worst category, says the appeal of the opposition Serbian Renewal Movement (SPO) to the Serbian people.

The SPO is an opposition party with the largest number of deputies in the parliament of the Yugoslav Republic of Serbia.

The SPO recommends that "the fruitless cease-fire agreements so far, should be substituted with a pertinent international cease-fire decision and the engagement of peacekeeping forces capable of maintaining the peace," because the war in Yugoslavia has become a threat to world peace.

The appeal underscores that mistrust between Serbs and Croats has now culminated, and also expresses the belief that "a historical agreement between the two peoples, with a reasonable dissociation, would reflect their deepest national interests."

This agreement would be permanent and stable if based on full equality, tolerance, mutual respect and the respect of the legitimate rights of both nations, says the appeal.

Renewal Movement Criticizes Yugoslav Convention

AU2712204691 Belgrade RTV Sat TV in Serbo-Croatian 1830 GMT 26 Dec 91

[Text] On the occasion of the convention on a new Yugoslavia, the Serbian Renewal Movement has issued a statement which says the following:

The creation of the so-called third Yugoslavia which was convened for 3 January by, as the statement puts it, the nonexistent Presidency of the nonexistent Yugoslavia, in cooperation with several existing and nonexistent parties from Bosnia-Hercegovina—and due to the way all that is done and the personalities participating in it—is showing characteristics unworthy of serious political activity.

Overcoming of the tragedy in which we have found ourselves requires much more wisdom and seriousness, it is said in the statement issued by the Serbian Renewal Movement which is carried by TANJUG.

The announced convention would acquire a minimal legitimacy only if leading political parties, and not—as the announcement puts it—those who are experienced in using telephones would participate in its work.

Without the Serbian Renewal Movement, the Democratic Party, and the Socialist Party of Serbia—when Serbia is involved—and without at least the Party of Democratic Action and the Serbian Democratic Party—when Bosnia-Hercegovina is involved—no agreement, even about the smallest possible Yugoslavia, has any point and can only make the general situation worse, says the statement of the Serbian Renewal Movement.

Poll Results Published on Popularity of Parties

92BA0243A Belgrade POLITIKA in Serbo-Croatian 10 Dec 91 p 10

[Article by Z. Suvakovic: "More and More Undecided Voters"—first paragraph is POLITIKA introduction]

[Text] The latest public opinion polls show that in future elections the SPS [Serbian Socialist Party] would lose a sixth of last year's votes; the SPO [Serbian Renewal Movement] has shown a large drop, although it is still the youngest party.

Although almost two thirds of the citizens of Serbia feel that the SPS has not fulfilled its campaign promises, almost 30 percent of the voters would vote for this party, as shown by a public opinion poll that was recently done by the Belgrade Institute for Political Studies.

This survey, done under expert supervision about 10 days before the date scheduled for Serbian local elections, answers the question of what would have happened if the cancelled elections had been held. According to the data obtained, the citizens would have chosen as follows: the SPS, 29.8 percent; the Serbian Radical Party, 15 percent; the Democratic Party, 12.5 percent; the SPO, 6.9 percent; the Democratic Action Party, 4.8 percent; and undecided, 23.8 percent.

Even at first glance, the number of undecided citizens is surprising; it is considerably higher than in earlier, almost regular polls. According to an assessment by the pollsters themselves, a large number refused to fill out the questionnaire sheet "out of fear of the consequences," and a considerable number answered that "politics did not interest them" and that they did not want to participate in the poll.

Decline in Popularity of Seselj's Party

If one compares the results from the survey at the end of October with the results of a similar one done a month earlier, several shifts can be observed. While the SPS held on during that month with the same result, Seselj's party dropped from 18.5 percent to 15 percent, the Democratic Party from 15 to 12.5 percent, and the SPO showed a further drop from 8.7 percent to 6.9 percent. It is interesting that in just one month, there was a considerable increase in the number who were undecided and those who did not want to participate in the survey. The percentage of those who were not interested in politics climbed from 15.6 percent in September to one fourth in October. The interpretation by sociologists working on processing this data is that the large number of undecided people is caused precisely by dilemmas and hesitation resulting from the war in which we have found ourselves.

Popularity of Captain Dragan

In comparison with the elections last December, there have been significant changes in political orientation. The most important among them is caused by the

appearance of the new Serbian Radical Party. Whereas Seselj managed to win as many as 19 percent of the respondents in September, however, the very next month his party's rating fell, among people faced with the consequences of the war in Croatia, to 15 percent. The Democrats have considerably more supporters than they did last December, while the SPO has shown a large drop. The SPS has also shown a significant decline, according to this poll. It has lost a sixth of its votes. The largest "migration of votes" (10.9 percent) was from it to the "undecided" category. The number of Socialists who went over to Seselj (7 percent) is not negligible, either. Vuk's former supporters also went over to Seselj or the Democratic Party, and there is also a significant number of Socialists who joined the Democrats.

The youngest party, in terms of the structure of its supporters, is still the SPO, while the SPS has the largest number of supporters among citizens older than 55 (45.4 percent). Seselj also has a large number of sympathizers among the young: 24.8 percent among those younger than 25, whereas he only has 9.3 percent among those older than 55. The Democratic Party also has an above-average number of young supporters, while people with the highest education are also inclined toward this party.

If the citizens of Serbia without Kosovo-Metohija had taken a position on confidence in Slobodan Milosevic a month and a half ago, 48.5 percent would also have voted for him then; 28 percent would have been opposed; and 28 percent would have kept their right to be undecided (Milosevic received 51.8 percent of the votes in the December elections). Retirees (62.4 percent) still have the most confidence in Slobodan Milosevic, and the unemployed (32.9 percent) trust him least.

The most fundamental changes in the orientation of Serbian citizens during that month was in answers to the questions related to "war and peace." At the end of October, a full 64 percent of the citizens said that "it is necessary to preserve peace at any cost," while only 27 percent were for "war until final victory."

And as far as the most popular political figures at the end of October are concerned, Captain Dragan is in first place, Radovan Karadzic is in second, and Patriarch Pavle is in third. Slobodan Milosevic is in fourth place, while the other two leaders of opposition parties, Vuk Draskovic and Dragoljub Micunovic, are only somewhat behind the president of the Republic.

Poll Seeks Opinions on European Relations

LD2712150691 Belgrade TANJUG in English 1119 GMT 27 Dec 91

[Text] Belgrade, Dec 27 (TANJUG)—Serbia should clearly define its goals and the methods it plans to employ for their achievement in order that Europe should understand its policy better, says academician Mihajlo Markovic, vice president of Serbia's ruling Socialist Party.

Interviewed in a poll conducted by the Belgrade weekly NIN on relations between Europe and Serbia, Markovic stresses that Serbia's policy should be consistent and take into account the international rules of the game. Serbia must step up its communications with the world, he adds.

Vice President of the Serbian Renewal Movement Slobodan Rakitic believes that Serbs should first learn to know themselves, "because they have yielded where nobody in their would yield."

In this context, the official of the leading opposition party in this Yugoslav republic singles out the unresolved issue of how the autonomous provinces were created, illegal arms imports to the Yugoslav Republic of Croatia which had not been prevented by the Yugoslav Army, the conduct of the Serbian authorities which shows the world that they are communists, and the problem of the internal, administrative boundaries which some want to impose as state borders.

Member of the Democratic Party leadership Zoran Djindjic says that "Serbia's negative image with the international public is due to its unreliable and unpredictable behaviour, as well as to the unruly behaviour of its political public."

Djindjic explains that Serbia must adjust the tools for attaining its interests to the legal and political system in Europe.

"One of the ways in which Serbia must come closer to Europe is to accept and implement in practice the rule of law," says university Professor Vojislav Stanovcic.

Leader of the Social Democratic Alliance of Serbia Milan Nikolic stresses that the only elements that can change the image of Serbia abroad are the existence of a strong opposition and a broad peace movement, which would show the world that the Serbian people has not succumbed to the "virus of communism."

Stock Market Publication Launched in Belgrade

LD2512092991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1348 GMT 24 Dec 91

[Summary] Belgrade, 24 Dec (TANJUG)—The first issue of BERZA [Stock Market], a professional monthly in the Serbo-Croat language, was published in Belgrade today.

Kosovo Albanians Reach Agreement With Belgrade

LD2612200491 Belgrade TANJUG in English 1849 GMT 25 Dec 91

[Text] Belgrade, December 25 (TANJUG)—One of the leaders of ethnic Albanians in the Serbian province of Kosovo and Metohija Veton Surroi, today urge ' for a dialogue on a "historical agreement" between Serbs and Albanians in the province.

Surroi is president of the parliamentarian union of ethnic Albanians in the province of Kosovo and Metohija. He called for a dialogue with the Serbian democratic opposition at today's press conference in Belgrade.

"I presume that we are all in agreement that the situation in Kosovo is unbearable," said Surroi.

Contrary to Surroi, president of the Social Democratic Party of Kosovo and Metohija Shqelzen Maliqi, at the same press conference expressed disbelief over the possibility of any kind of agreement with the Serbs. The Social Democratic Party also rallies ethnic Albanians.

"All roads are leading the Albanians towards secession," said Maliqi. He accused the Serbian authorities of 'state terrorism' in the province.

Albanians have the status of a national minority in Yugoslavia. Today they make up 90 percent of the population in Kosovo and Metohija. The terror exercized by the authorities held by ethnic Albanians until a few years ago, resulted in the fact that more than 400,000 Serbs and Montenegrins have left the province since 1945, and 40,000 in the last ten years alone.

Bosnia-Hercegovina

JNA Units Remove Croatian Flag in Mostar Suburb

AU3012204591 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1800 GMT 30 Dec 91

[Text] According to the information of the Mostar Station of Public Security the members of special units of the Yugoslav Peoples' Army [JNA] yesterday afternoon carried out a landing from a helicopter in the suburban community of Jesenice near Mostar with the aim of removing the Croatian flag from the building in which the town office of the Croatian Democratic Community was stationed.

On this occasion, Viktor Stojkic [title not given] from the Mostar Station of Public Security claims, the special units blocked the police station in this settlement, disarmed the policemen who were present, and then removed and took away the Croatian flag.

The same source claims that the action of the JNA special units lasted 15 minutes and was carried out with the deployment of helicopters.

We have learned that the Mostar communal government demanded the calling of an extraordinary session of the Communal Council for National Defense regarding this incident.

Presidency Calls For Formation of Expert Groups

AU3012173491 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2100 GMT 29 Dec 91

[Text] A session of the Bosnia-Hercegovina Presidency, chaired by Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, was held today.

The Presidency examined the latest deterioration of the situation in the region of Bosanska Gradiska and decided to propose to the Bosnia-Hercegovina government that it immediately form a mixed expert commission to examine all circumstances relating to the situation in Bosanska Gradiska and submit a report on it.

It was concluded that member of the Presidency Nikola Koljevic immediately depart for this region and to hold talks with the local authorities.

The Presidency also listened to the report by member of the Presidency Ejup Ganic on his meeting with the presidents of the communes in eastern and western Hercegovina in Stolac. It was concluded to propose to the Bosnia-Hercegovina government to form a mixed operational group that would realize the agreement on the returning of refugees from Hercegovina to their homes. It will also be proposed to the government that the group be led by minister in the republican government Milenko Brkic who is also president of the Yugoslav Red Cross.

SDS Chief Karadzic Opposes EC Recognition

LD2612100891 Belgrade TANJUG in English 1822 GMT 25 Dec 91

[Text] Sarajevo, Dec 25 (TANJUG)—Bosnia-Hercegovina does not meet conditions which the European Community has set for the recognition of independence, as president of the Serbian Democratic Party (SDS) in Bosnia-Hercegovina Radovan Karadzic told a news conference here today.

Karadzic said he hoped the EC would not recognize Bosnia-Hercegovina, adding that a republic could secede from Yugoslavia only after Yugoslavia's constituent peoples, not the republics, decided so.

A decision that Bosnia-Hercegovina should apply to the EC for the recognition of its independence was taken by a "two-member coalition" of Muslims and Croats, Karadzic set out. He said the way in which the decision was taken opposed the republican constitution, under which Bosnia-Hercegovina's three constituent peoples should decide by concensus the republic's fate.

The decision has destroyed the republic's constitutional and legal foundations, and its stablity and peace are seriously threatened, as Karadzic specified. He said there would be no reactions or riots on the part of the SDS, which could cause a war. But, he added, it is therefore necessary to immediately resume negotiations on a resolution of the republic's political crisis.

Negotiations between the leaders of the three national parties opened last week behind close doors, at the initiative of the SDS.

The SDS, the second strongest party of the ruling coalition, says the talks should be public and with media coverage so that the Bosia-Hercegovina citizens can learn each party's arguments and reasons.

Serbian Assembly Seeks Continuation of Talks

LD2512123891 Belgrade TANJUG in English 1833 GMT 24 Dec 91

[Text] Sarajevo, Dec 24 (TANJUG)—"The Serbian parliament" in Bosnia-Hercegovina today called on the legitimate representatives of Muslims and Croats to continue on Thursday, December 26, talks on settling the political crisis in this Yugoslav republic in the presence of the news media.

Leaders of the ruling coalition, consisting of the national parties of Serbs, Croats and Muslims, started the talks behind closed doors last week.

The demand for talks to be open to the public is explained by the assessment that the political and security situation "has deteriorted to the maximum" after a part of the government and a part of the republican presidency sent the European Community (EC) a request for recognizing the independence of Bosnia-Hercegovina.

The decision was adopted after the representatives of Muslims and Croats outvoted the representatives of the Serbian people in the presidency and government. The decision is unconstitutional since all three peoples in the republic are nation-builders.

After this, the so-called Serbian parliament on December 21 decided on the forming of a Serbian Republic of Bosnia-Hercegovina by January 14 and then proposed to political partners the creation of a confederation.

President of the Croatian Democratic Union (HDZ) Stjepan Kljujic today termed this proposal as a demand for the division of Bosnia-Hercegovina. He said that this was "an undesirable and last option."

The Opposition Party of Yugoslavs today assessed the request for the recognition of the independence of Bosnia-Hercegovina as the beginning of the splitting up of the republic and that it is aimed at breaking up Yugoslavia.

The Bosnian Democratic Union upheld the request and urged citizens to create a free Bosnian state with its own army and currency.

The text of the request for recognizing the independence of Bosnia-Hercegovina which was sent to the EC on December 20, was published in Sarajevo today. In the request, Bosnia-Hercegovina pledges not to have any territorial claims on any neighboring state, to uphold the UN peace mission and the continuation of The Hague conference on Yugoslavia.

Democratic Union Seeks 'Free Bosnian State'

LD2512124491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1257 GMT 24 Dec 91

[Text] Sarajevo, 24 Dec (TANJUG)—The Bosnian Democratic Union [Bosanska Demokratska Unija], the most recently formed extraparliamentary party in Bosnia-Hercegovina, today issued a statement calling for "the whole Bosnian nation to establish a free Bosnian state and to create a regular civil situation, which does not need any guardian of peace in the form of non-Bosnian military formations which, it is stressed, function with anti-Bosnian ends in mind."

This union, which considers itself the first truly civilian party, requests the urgent formation of Bosnian volunteer units made up of proportional numbers of all the peoples here, and its own Bosnian currency.

Conflicts Emerge Over Deployment of Peacekeepers

92BA0243B Belgrade POLITIKA in Serbo-Croatian 8 Dec 91 p 6

[Article by Mirko Caric: "Occupiers or Saviors?"—first paragraph is POLITIKA introduction]

[Text] Possible locations for the deployment of the blue helmets in Bosnia-Hercegovina are Sarajevo, Mostar, and Bihac.

Sarajevo, 7 Dec—Alija Izetbegovic's intention to deploy the blue helmets in Bosnia-Hercegovina, on his own responsibility and without the necessary consultations with the leadership of the Serbian Democratic Party [SDS], has already caused unpleasant political consequences in which European observers have also become involved. The clear position of the SDS of Bosnia-Hercegovina is that it will consider the so-called blue helmets in this republic to be an occupying army, especially because of the fact that a civil war is still not being conducted in this republic. Also possible is the supposition that the blue helmets could clash with JNA [Yugoslav People's Army] units.

Instead of understanding these facts and the possible consequences, Alija Izetbegovic is angry because the Serbian people do not want to see foreign soldiers in their villages and cities. His anger has caused the opposite effect among the Serbs in Bosnia-Hercegovina, at least judging by recent days. The Serbian representatives in the Presidency of Bosnia-Hercegovina are also being constantly ignored, and are outvoted in the adoption of every major decision. Excessively broad powers have also been obtained by the republic's crisis headquarters, headed by Ejub Ganic, which has also usurped certain

bodies from the Bosnian Presidency to which it would not have any right, according to valid constitutional and legal documents.

This is also demonstrated by the latest incident, when the European observers, not at all naively, bypassed Banjaluka at the suggestion of Haris Silajdzic, the Minister of Foreign Affairs of Bosnia-Hercegovina. In fact, the observers flew directly to Serbia, where Alija Izetbegovic tried to convince them to deploy the blue helmets to Serbian areas, especially in eastern Hercegovina. The president of the Presidency of Bosnia-Hercegovina tried to persuade the European observers that Muslims were most threatened there, and that they were emigrating under pressure. It is a public secret, however, that in Bosnia-Hercegovina there are many Muslims from those areas, especially from Nevesinja, who received jobs and apartments in Sarajevo so that in return they could relate everywhere how they were driven out of eastern Hercegovina by the Serbs and how they "could not live there anymore." Such base actions, which have recently become customary in the Democratic Action Party [SDA], especially toward the JNA, are now becoming an ordinary occurrence in the special dirty war against the Serbian people and the JNA soldiers.

What General Djurdjevac Told Van Hauten

Of course, the European observers were quite familiar with these facts, because they were also presented on several occasions by Cyrus Vance. The only thing that remained unclear was the extent to which this information coincides with the interests of the countries from which the observers come. Of course, the foreigners in Bosnia-Hercegovina are most interested in where the blue helmets will be deployed, and whether it will really be in the form of an ink blot. In the talks between Cyrus Vance and Alija Izetbegovic, two points were initially located around Bihac and Neum, although, as the situation develops, the entire Neretva valley, down to the sea, could be filled with blue helmets.

The latest contacts with responsible individuals from abroad confirmed once again that the Hercegovina area is the "most turbulent," and so, judging by certain preparations, the command of a battalion of blue helmets could still be deployed in Mostar, while a communications command would be stationed in Sarajevo, and a command of blue helmet units that would be a springboard for leaving for the Croatian flashpoints would be in Bihac.

The head of the observer mission for Yugoslavia, Van Hauten, has broader views of interethnic relations in Bosnia-Hercegovina than Alija Izetbegovic, even though the opposite should be true. Van Hauten had more patience and calmness in talks with Serbian representatives than the president of the Presidency of Bosnia-Hercegovina has had recently. Van Hauten was also less persuasive toward Major General Vojislav Djurdjevac, the commander of the Sarajevo corps. Understandably, General Djurdjevac is not making a determination on the decision for the arrival of the blue helmets, as he particularly emphasized, but he warned Van Hauten about an emotional fact with respect to the Serbian people.

Izetbegovic's Intentions

"With respect to the composition of the blue helmets, I beg you to understand that some of our population has an aversion toward certain members of the army that was here during World War II as an occupying army. It would be best if the blue helmets consisted of forces that were not here in the role of occupiers," General Djurdjevac told Van Hauten.

In the complicated situation among the parties in Bosnia-Hercegovina, the position of the Croatian Democratic Community is still not sufficiently clear; it now appears that it does not want the blue helmets to be between the Ustasa hordes and the JNA units in western Hercegovina. The verbal support for the UN forces expressed by Stjepan Kljujic is more a result of a political disagreement with Dr. Radovan Karadzic than of construction action on behalf of all three peoples.

The second strongest party in Bosnia-Hercegovina, which represents the Serbian people, is also firmly opposed to the arrival of the blue helmets in this republic because of its belief that the right solution for the inhabitants of Bosnia-Hercegovina can only be found through a dialogue at a negotiating table. The SDS of Bosnia-Hercegovina also believes that a solution for this republic cannot be found in The Hague and Brussels. The presence of foreign troops, in the views of Dr. Karadzic and Dr. Koljevic, would only hinder normal neighborly relations and delay the adoption of the fairest decision for the three peoples. It is also felt that the arrival of the blue helmets would postpone the republic's constitutional status and its position in a new Yugoslavia. Apparently this uncertainly is one of the political intentions of Alija Izetbegovic, who does not have enough resolution to say publicly, especially to the Muslims, that they will not live in the same state as the Serbian people. That can be clearly seen from the first SDA congress a few days ago, at which that important issue, which affects the Yugoslav outcome, was postponed.

Also contributing to the SDS's position was the behavior of the European Community, in which the Germans have assumed authority, after which the sanctions against Serbs and Montenegrins followed. That is why the question is justifiably being raised here of what can be expected from the blue helmet units if they come from West Europe, when even now, individual observers are displaying an inappropriate bias toward the Catholic portion of the Yugoslav population. That is why an answer to the question of whether the blue helmets in Bosnia-Hercegovina will be occupiers or saviors will also be postponed, at least for the foreseeable future.

Montenegro

Bulatovic Deems 'Loose Integration' Possible

AU3012160291 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 30 Dec 91

[Text] It seems to be realistic to expect a truce in Yugoslavia to be reached soon. Not true was the assessment that Momir Bulatovic, president of the Presidency of Montenegro, made to reporters. The recognition of the state of Croatia would not divert the Serbian people from fighting for their security.

In this connection, Momir Bulatovic also told reporters the following:

[Begin Bulatovic recording] Regarding the necessity of the arrival of peacekeeping forces, one should realistically assess the real possibility of a cease-fire. I think that it would be irrational to expect an absolute cease-fire to come about immediately and over the entire territory, because even if such a thing happened, one would then ask why peacekeeping forces are needed at all. I think that the solution step by step, zone by zone that was offered is very interesting and attractive. However, on the other hand, I think that those people who decide on the use of the UN peacekeeping forces are obliged to at least publicly state their impression and their analysis on the interests that make either of the conflicting sides to violate cease-fire.

If one makes a little historical analysis, it is completely clear that from the very beginning of the conflicts, the Croatian side, for instance, has been systematically encouraged to spread and continue the conflicts, because it has been suggested to it for the last several months from the highest of places, its greatest ally, that it will be recognized if there is no truce. In other words, it was clearly said: Continue to fight and you will be recognized. This scenario is now being played very clearly in front of our eyes, but I am deeply convinced that it is not realistic either. This republic can be recognized 1,000 times, but that would absolutely not prevent the Serbian people in their just struggle—and all other peoples who support it—to endure in their struggle and the orientation that they have rights equal to the rights of the Croatian people and the citizens of the Republic of Croatia.

I really believe in the necessity to preserve the Yugoslav community as a loose integration, as a means to make it possible for the national interests involving emotions that go beyond reason and really must be fulfilled to be just that, fulfilled. On the other hand, one must see the reality that something that has existed for 73 years, something rooted deep in the consciousness of almost one-half of the citizens of Yugoslavia must nevertheless survive and that, when these emotional tensions are over, the fact will probably be realized that it is our fate to live together, that we will most probably have to live in such a way, and that Yugoslavia will survive as a loose community.

I think that, in a way, this satisfies the interests both of those people who have long said that they do not want to live in this country and those who said that they want to remain in it but still told everybody who waned to leave that the doors are open and wished them a happy journey. [end recording]

Macedonia

Stojan Andov Speaks on Future Policy, Elections

AU3012173891 Skopje Radio Macedonia Network in Macedonian 2100 GMT 29 Dec 91

[Text] Macedonia fulfills the conditions for its international recognition. In this respect there are no problems in Macedonia that would justify any kind of hesitation at any side. This is what Stojan Andov said in an interview for tomorrow's New Year issue of PULS newspaper.

Speaking about Macedonian general policy, he said that policy close to the European option should be continued in the future, but policy should also be close to the American option.

According to Andov, Macedonia will have to create its own monetary system, at least temporarily. If we fail to undertake something, we will suffer the consequences, the Macedonian Parliament president said.

Speaking about the possibility of new elections in Macedonia, Andov said that the elections will take place after the (?consolidation) of international recognition.

Daily Describes Scenario for Serb Intervention

LD3012180491 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 30 Dec 91

[Text] The Macedonian independent daily REPUBLIKA carries an article today entitled "The Army Is Preparing the Liquidation of Macedonian Prime Minister Dr Nikola Kljusev." The article discusses the Army's plans to open up a southern front.

The implementation of this plan would allegedly begin with rapid military intervention which would be led by General Milutin Kukanjac, commander of the Third Military District, under the direct supervision of Blagoje Adzic, commander of the General Staff. The intervention, according to the paper, would begin with the entry of units of the Vranje and Urosevac garrisons, commanded by the newly created General Ratko Mladic, who earned his rank of general in similar circumstances in Knin.

Air Force units would also take part in the attack on Macedonia, and these would be commanded by Colonel Branislav Dasic, until recently the notorious commander of Skopje military airport. Rabidly pro-Serbian retired officers from Macedonia and Serbs faithful to Milosevic would help the interventionists. And then activists of the League of Communists-Movement for Yugoslavia [Savez Komunista-Pokret za Jugoslaviju] would make their appearance.

The preparations for the military intervention, REPUBLIKA writes, began with the mysterious death of Jordan Mijalkov, minister of internal affairs, and will continue with the liquidation of the Macedonian prime minister, an event to which his attention is drawn by the threatening letter which he received in the past few days. In this way the expected conflict with the Macedonian authorities would begin. Thus a southern front would be opened up, and the armed forces of neighboring countries would also perhaps take part in the aggression against Macedonia, today's REPUBLIKA writes.

Muslim Statement Opposes Albanian Referendum

AU3012174091 Skopje Radio Macedonia Network in Macedonian 2100 GMT 29 Dec 91

[Text] In a public statement the Republican Community of Cultural-Scientific Manifestations of Muslim Macedonians points out that the referendum announced for 11 and 12 January at which ethnic Albanian citizens will state their views about political-territorial autonomy of Albanians in Macedonia has been received among non-Albanian population, particularly Muslim Macedonians living in western Macedonia, as a quisling and Ballist Albanian occupation. The Community Presidency is of the opinion that this referendum is a deliberate anti-Macedonian act directed against the recognition of the Macedonian state in the world and leads the Albanian population to a further ghettoization and [words indistinct].

Therefore, the Republican Community of Cultural-Scientific Manifestations of Muslim Macedonians calls on all Muslim Macedonians not to allow themselves to be manipulated on a religious or political basis and not to take part in this anti-Macedonian plot.